FBIS DAILY REPORT

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U.S. IMPEDING REACHING OF ACCORD AT GENEVA TALKS

LD032234 Moscow TASS International Service in Russian 1707 GMT 3 Jul 87

[Text] Geneva, 3 Jul (TASS) -- A draft memorandum on an accord relating to an exchange of initial data applying to a draft treaty on medium-range missiles was submitted by the Soviet side to the group dealing with medium-range missiles at the nuclear and space weapons negotiations during the past week. In connection with a Soviet draft protocol presented earlier on procedures regulating the dismantling or destruction of weapons which come within the scope of a treaty, a start was made with regard to compiling a joint draft text of a document.

However, movement in the direction of reaching an accord on the whole range of problems of medium-range missiles, and operational and tactical missiles, is being impeded by new conditions which are constantly being submitted by the U.S. side, and which undoubtedly go against the principle of equal security.

No positive changes are visible, either, in the U.S. approach to the two other highly important issues which are being discussed at the negotiations -- space, and strategic offensive weapons. The U..S. delegation is stubbornly sticking to proposals, the implementation of which would mean the destruction of the ABM Treaty, the spread of the arms race into space, and, in the sphere of strategic offensive weapons, the acquisition of obvious military advantages for the United States.

U.S. DELEGATE'S REMARKS CAUSE 'DISAPPOINTMENT'

LD021301 Moscow TASS in English 1254 GMT 2 Jul 87

[Text] Geneva July 2 TASS -- The Geneva Conference on Disarmament can and should make a practical contribution to resolving priority problems, in the first place those of nuclear disarmament and a ban on nuclear weapons testing.

This opinion is shared by most of the 40 delegations.

El-Gali Benhima [name as received] of Morocco said it ws only the lack of political will that had been preventing progress.

The delegations of Mongolia and the German Democratic Republic said the joint document of socialist countries setting forth draft provisions of a treaty on a general and complete prohibition of nuclear weapons testing could form the basis for discussion.

The delegations of a number of Western countries, however, are obviously unprepared for giving up their stereotyped approaches that have been preventing a constructive discussion.

Disappointment has been expressed after a speech by the new leader of the American delegation, Max Friedersdorf, who made a point of defending the "nuclear deterrence" doctrine, while distorting the Soviet position on nuclear testing and on the elimination of medium-range and shorter-range missiles.

Responding to the U.S. representative, the leader of the Soviet delegation, Yuriy Nazarkin, said that the "nuclear deterrence" doctrine abided by the United States and other NATO countries and their striving to preserve nuclear weapons and prevent nuclear disarmament were the main brake on talks, both bilateral and multilateral.

As for nuclear testing, he added, the Soviet Union was invariably for its complete prohibition and for full-scale talks with this aim.

The leader of the Soviet delegation criticized the U.S. position on also another priority issue on the conferences's agenda -- the question of banning chemical weapons.

It was unclear, he said, how U.S. attempts to start the production of new kinds of chemical, in particular binary, weapons squared with the preparation of a convention on the prohibition of chemical weapons.

Pointing out that talks on this issue had lately begun to stall, the Soviet representative urged all participants in the conference to step up work to draft the convention with the aim of its early signing.

Addressing the Geneva forum today, Dutch Foreign Minister Hans van den Broek also called for completing work on the important document.

END OF ROUND OF VIENNA ARMS TALKS NOTED

LD021438 Moscow TASS in English 1417 GMT 2 Jul 87

[Text] Vienna July 2 TASS -- Another round of negotiatons on Mutual Reduction of Armed Forces and Armaments in Central Europe ended here today. Ludek Handl, head of the Czechoslovak delegation, spoke at the final plenary meeting. He pointed out that readiness to tackle specific questions on a realistic and mutually acceptable basis was the necessary condition for success. However, the present position of Western participants does not provide for this, as well as for a chance to move to concluding an agreement.

Robert Blackwill, head of the U.S. delegation, spoke on behalf of the NATO countries.

The next round of the negotiations is set for the end of next September.

CHERNYSHEV SEES U.S. OBSTRUCTING TEST BAN ACCORD

PM031151 Moscow KRASNAYA ZVEZDA in Russian 3 Jul 87 First Edition p 3

[Candidate of Technical Sciences Reserve Colonel V. Chernyshev article under the rubric "Commentator's Diary": "Two Approaches to a Key Problem"]

[Text] The Soviet-U.S. Treaty on the Limitation of Underground Nuclear Weapon Tests was signed in Moscow 3 July 1974. The USSR and the United States then pledged not to carry out underground nuclear weapons tests with yields exceeding 150 kilotons. The treaty reaffirmed both states' intention to continue talks in order to completely end underground nuclear weapons tests in the future.

The document had great political purport. It attested that, given goodwill, a mutually acceptable solution to an exceptionally complex question concerning the foundations of a state's security could be found. This agreement, together with the multilateral Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water concluded in 1963, should be an important practical stage along the road to the comprehensive ending of nuclear weapons tests.

However, things turned out differently in practice. The 1974 treaty did not come into force. Washington refused to ratify it. True, the USSR and the United States issued an official statement pledging to observe the agreement not to carry out nuclear weapons testing yielding more than 150 kilotons and have been observing that commitment to this day. But nonetheless the main aim was not achieved.

The Soviet Union has been consistently and persistently striving to ensure that our planet is not shaken by nuclear explosions. We recall that in 1975 the USSR submitted to the UN General Assembly a draft treaty on the universal and total cessation of nuclear weapons tests. This initiative was approved by almost 100 delegations. However, because of the negative position of certain nuclear powers talks were not started on concluding the treaty.

On our country's initiative Soviet-U.S. consultations were held in June 1977 on the complete prohibition of nuclear weapons tests. Britain later joined in the consultations. During the trilateral talks held in Geneva in 1977-1980 a draft treaty was virtually prepared. It envisaged banning all nuclear weapons explosions.

The prospect of concluding such an agreement, which would have substantially restricted the nuclear arms race, in no way suited the U.S. military-industrial complex. Under pressure from it the U.S. Government took a tougher line at the talks. Shortly after, the Western participants broke off the talks altogether.

This obstructionist step had the most negative consequences for international security. MIRVed warheads were created [sozdany] and entered service, the number of nuclear charged increased tenfold, and nuclear-tipped cruise missiles and tactical nuclear weapons appeared. If barriers are not now erected, the number of nuclear munitions in the United States will grow by approximately 40-50 percent over the next 5 years. Various types of "third generation" nuclear weapons, including space strike arms, will appear in arsenals. The simplest and most realistic way of stopping the race in this area is to stop and ban nuclear tests once and for all. Without tests it is impossible either to improve nuclear weapons or to create [sozdavat] new types.

It was to that end, striving to set an example of goodwill, that the USSR on 6 August 1985 announced a unilateral moratorium on all nuclear explosions, calling on the United States to join in the initiative. The Soviet moratorium, as is well known, lasted 18 months. But tests continued in the United States.

All this confirmed that the U.S. political and military leadership bases its policy not on consideration of the specific realities of the nuclear and space age, but on the obsolete strategy of "nuclear deterrence." As a Western expert noted, the position of official Washington is so clear that "even blockheads can now see who would like to continue improving the mechanism for annihilating mankind and who would like to destroy that mechanism.

The Soviet Union, which was forced to end the moratorium, nonetheless consistently and persistently advocates that wide-ranging talks to entirely prohibit nuclear tests be urgently initiated in any form and at any forum -- with U.S. participation, of course.

The document "Main Provisions for a Treaty on the Complete and Universal Prohibition of Nuclear Weapons Tests" submitted by the Soviet Union and the other socialist countries at the disarmament conference in June was new evidence of their desire to achieve a radical solution to the problem.

The Soviet side has been insisting on starting full-scale talks at the Soviet-U.S. expert talks on questions of ending nuclear tests. Taking account of the U.S. position, the USSR expresses readiness to reach agreement on a phased solution, introducing interim restrictions on the numbers and yields of nuclear explosions. In particular, it is a question of limiting the yield of nuclear tests to 1 kiloton and reducing the number of such tests as far as possible. The Soviet Union is also prepared to examine questions linked with the ratification of the Treaty on the Limitation of Undergrand Nuclear Weapons Tests and the Treaty on Underground Nuclear Explosions for Peaceful Purposes.

The U.S. side is striving to reduce all the talks to the problem of the ratification of these treaties. But the solution of the main task is postponed, to the "Greek calends," as the saying goes.

Life persistently dictates something different -- reaching a solution to the main task, the complete prohibition of nuclear weapons tests, as quickly as possible. The future will show whether Washington will finally show responsibility for mankind's fate.

PACT PARLIAMENT CHAIRMEN ISSUE COMMUNIQUE

PM061241 Moscow IZVESTIYA in Russian 4 Jul 87 Morning Edition p 4

["Communique of the Meeting of Chairmen of the Warsaw Pact Parliaments"]

[Text] A meeting of the chairmen of the parliaments of the member states of the Warsaw Pact Treaty of Frienship, Cooperation, and Mutual Assistance was held in Warsaw 1-3 July. Taking part in the meeting were:

Stanko Todorov, chairman of the People's Republic of Bulgaria People's Assembly; Istavan Sarlos, chairman of the Hungarian People's Republic National Assembly; Horst Sindermann, president of the GDR People's Chamber; Roman Malinowski, marshal of the PPR Sejm; Nicolae Giosan, chairman of the Socialist Republic of Romania Grand National Assembly; Lev Tolkunov, chairman of the Soviet of the Union of the USSR Supreme Soviet; and Alois Indra, chairman of the CSSR Federal Assembly.

The meeting discussed the role of the parliaments in deepening the cooperation between the fraternal countries and ways to give that cooperation greater dynamism and effectiveness, taking the specific features of the current stage of development of the socialist community into account.

The chairmen of the parliaments exchanged information and experiences on the work in their countries to accelerate social and economic development, widely introduce the fruits of scientific and technological progress, continuously raise the material and spiritual standard of living of the people, and deepen socialist democracy in accordance with the aims of socialist creation. They stressed that the achievements of the socialist countries are creating fresh possibilities for mutually advantageous cooperation and for developing relations with all countries of the world and promoting the growth of the influence and international prestige of socialism.

Note was taken of the significance of active cooperation between the parliaments, implementing plans for economic cooperation between the CEMA member-countries, the Comprehensive Program for CEMA Countries' Scientific and Technical Progress through the year 2000, and the accords of the working meeting of the leaders of the fraternal socialist countries which took place in Moscow in November, 1986.

There was a detailed exchange of experience and views on questions of state and legal construction, the development of legislation, the implementation by the parliaments of their supervisory functions [kontrolnykh funkstii], and the activity of local bodies of authority.

The participants in the meeting examined in detail issues relating to the development of the international situation. An analysis was made of the means of cooperating with all the parliaments of the states taking part in the CSCE; adding dynamism to the general European process; reducing the level of military confrontation and curbing the arms race; putting disarmament into effect, nuclear disarmament above all; preserving peace on earth; and developing comprehensive cooperation in various spheres.

In this regard, the presidents of the Warsaw Pact member state parliaments adopted an appeal to the parliaments and parliamentarians of the countries party to the CSCE, which will be sent to them and published in the press.

Taking into account the significance of further developing comprehensive cooperation, the holding of annual meetings between the presidents of the Warsaw Pact member state parliaments on a rotating basis was acknowledged as expedient.

At the meeting, the exceptional significance was noted of the Great October Socialist Revolution which began a new era in the history of mankind. Emphasis was placed on the importance of parliamentarians taking part in the festivities of the 70th anniversary of that event.

It was agreed that the next meeting of the presidents of the parliaments is to take place in Berlin.

The meeting took place in an atmosphere of friendship, comradeship, and full mutual understanding.

L.N. Tolkunov, chairman of the USSR Supreme Soviet Soviet of the Union, who was taking part in the meeting, told an IZVESTIYA correspondent that meticulous work must be done to ensure parliaments make a weightier contribution to the common cause of economic, scientific, and technical progress. The "economic accent" in parliamentary ties and contacts must be stepped up in every possible way and utilized for exchanging experience of the regulation of economic processes and particularly of the implementation of economic reforms. We must draw on each other's useful experience with both hands and, if acceptable, learn from each other's mistakes so as not to repeat them community-wide.

## PYADYSHEV HOLDS FOREIGN MINISTRY BRIEFING 2 JULY

### U.S. Creates Arms 'Obstacles'

LD021414 Moscow TASS in English 1358 GMT 2 Jul 87

[Text] Moscow July 2 TASS -- Washington has been striving lately to create an optimistic picture of the situation at the Geneva talks, Soviet Foreign Ministry spokesman Boris Pyadyshev told a briefing here today.

At various levels, including the leadership of the State Department and the White House, he said, there was being created a baselessly radiant picture of developments at the talks, a picture that in fact distorted the state of affairs in Geneva.

"Why? I think it is not hard to guess. As the true solution of problems, above all on medium-range missiles, was approaching, the American delegation was advancing ever new conditions creating extra obstacles in the way of onward movement," said the Soviet representative.

### Discusses Weapons, ABM Treaty

LD021353 Moscow TASS International Service in Russian 1307 GMT 2 Jul 87

[Text] Briefing at the USSR Ministry of Foreign Affairs Moscow, 2 Jul (TASS) -- The closer the possibility of a decision on nuclear and space weapons, the more the U.S. side invents obstacles that keep the talks idling, Boris Pyadyshev, spokesman of the USSR Ministry of Foreign Affairs has stated. He addressed a briefing today for journalists.

As for medium-range missiles, he noted, the Soviet Union has put forward the idea of a double zero option in Europe in medium-range and operational and tactical missiles. The United States gave its consent to this, but at the moment they are undertaking bypass maneuver: They are insisting that the U.S. nuclear warheads intended for the operational and tactical missiles in the FRG be kept. The United States is moving things toward bringing about a zero on the side of the Soviet Union and allowing a fairly hefty nuclear arsenal to remain on the U.S. side.

As to the 50-percent cut in strategic offensive armaments, it sometimes comes to the absurd. The principle of counting missile warheads according to the number carried by a missile of the given class during the testing has long since asserted itself in the Soviet-U.S. accords. Now the U.S. side has offered a new and an absolutely arbitrary method of counting warheads. Its use makes it possible to surmise that the Soviet missiles have many more warheads than are actually deployed, and to underestimate the real number of nuclear charges on the U.S. missiles considerably.

Let us turn to the issue of space and adherence to the ABM Treaty. Instead of the 10-year period of strict adherence to the ABM Treaty which was the point in Reykjavik, at present the United States is speaking only of a period of 7 years, and actually speaking not of adhering to the ABM Treaty, but of preparing for its abolishment. It is being proposed to the Soviet Union as a "compromise" that it consider the possibility of walking out of such an accord if it does not suit it, but only when the Soviet Union has already implemented a 50-percent cut in its strategic offensive armaments, and not just implemented it, but on U.S. conditions, which would be detrimental to the interests of the security of the Soviet side, spokesman of the USSR Ministry of Foreign Affairs said.

## Denies Reaching Arms Agreement

LD021334 Moscow TASS in English 1327 GMT 2 Jul 87

[Text] Moscow July 2 TASS -- A spokesman for the Ministry of Foreign Affairs of the U.S.S.R. has denied a report sent out by Western radio stations and wire services this morning to the effect that Col.-Gen. Nikolay Chervov, head of a department of the General Staff of the Soviet Armed Forces, and U.S. representative Maynard Glitman allegedly reached understanding on some compromise version of an agreement on medium-range missiles.

Speaking at a briefing today, Boris Pyadyshev, first deputy head of the Information Directorate of the Ministry of Foreign Affairs of the U.S.S.R., said that "there is no understanding of any kind between Chervov and the American representative."

## AFP on Denial

AU021313 Paris AFP in English 1303 GMT 2 Jul 87

[Text] Moscow, July 2 (AFP) -- A Soviet official spokesman Thursday denied reports that the United States and Soviet Union had reached an understanding on the complete elimination of intermediate nuclear missiles, saying that negotiations were deadlocked in Geneva because of U.S. demands. At a press briefing, Foreign Ministry deputy spokesman Boris Pyadyshev also refused to discuss a date for a meeting of U.S. Secretary of State George Shultz and his Soviet counterpart Eduard Shevardnadze in Washington. His pessimistic remarks contrasted with reports from Washington, where July 13 had already been advanced as a date for the foreign ministers' talks.

On the reported Soviet concessions to agree to eliminate all its SS-20 missiles in an intermediate missile (INF) agreement, including 100 warheads which were to have been retained in Asia under a plan agreed at the Reykhavik summit, Mr. Pyadyshev said "no proposals of such kind" had been presented at the U.S.-Soviet Geneva talks.

Alluding to "western telegraph agencies and radio" reports concerning the proposal by General Nikolay Chervov, in charge of arms control at the Soviet general staff, to Maynard Glitman, responsible for INF at Geneva, Mr. Pyadyshev said that the Soviet general "was not authorised" to put forward proposals. Mr. Pyadyshev's remarks followed a denial from Max Kampelman, the head of the U.S. delegation to Geneva. Mr. Pyadyshev accused Washington of creating "additional hindrances" at the talks, by insisting on keeping the option of equipping West German Pershing 1A missiles with nuclear warheads, and of changing the calculations of nuclear arsenals which would leave the United States with a superiority.

### Notes U.S. Gulf Presence

LD021505 Moscow TASS in English 1502 GMT 2 Jul 87

[Text] Moscow July 2 TASS -- The build-up of U.S. naval presence in the Persian Gulf is the obvious cause of tensions in that region, Soviet Foreign Ministry spokesman Boris Pyadyshev told a briefing here today.

The spokesman, reviewing the situation in the Persian Gulf, pointed out that the Soviet side had confirmed its principled stand in favour of the earliest cessation of the Iran-Iraq war.

### Submits Reagan Message for Gorbachev

LD021358 Moscow TASS in English 1350 GMT 2 Jul 87

[Text] Moscow July 2 TASS -- The U.S. ambassador handed over a message from President Ronald Reagan addressed to general secretary of the CPSU Central Committee Mikhail Gorbachev at the Soviet Foreign Ministry on June 30.

This was disclosed by Boris Pyadyshev, deputy head of the Information Directorate of the Soviet Foreign Ministry, during a briefing for journalists here today.

### Denies Razings in DRA

AU021612 Paris AFP in English 1602 GMT 2 Jul 87

[Text] Moscow, July 2 (AFP) -- An official Soviet spokesman Thursday denied that Soviet soldiers were razing districts of the southern Afghan city of Kandahar in a bid to regain control from Moslem rebels.

Foreign Ministry spokesman Boris Pyadyshev told a press conference, in response to a question quoting a report from western diplomatic sources in Islamabad, that "nothing like that is going on."

He added that the only time the Soviet army was "forcefully used" was in self-defence, in the face of attack by rebels.

Fighting in Kandahar, Afghanistan's second city, between anti-government guerrillas and the Soviet-backed Afghan soldiers has caused heavy civilian losses and serious damage to property, according to diplomats and rebel sources in Pakistan.

Mr. Pyadyshev stressed that the United States was waging the war in Afghanistan, where "military interference" was escalating.

## PYADYSHEV CONDUCTS ADDITIONAL BRIEFING 3 JULY

### U.S. 'Complicates' Geneva Talks

LD031007 Moscow TASS in English 0920 GMT 3 Jul 87

[Text] Moscow July 3 TASS -- The USSR sees the U.S. demand for a worldwide elimination of medium-range missiles as an attempt to complicate the situation at Geneva talks, Boris Pyadyshev, first deputy head of the Information Directorate of the Soviet Foreign Ministry, told a briefing here today.

The American side lately has talked much about a global elimination of medium-range missiles, saying, in particular, that a complete destruction of such missiles will make verification easier. One can agree with the latter argument, the Soviet Foreign Ministry spokesman said. Once there are no missiles at all, it is easier to verify their absence.

But this is not the main thing. The main thing is that this demand put forward by the American side only recently contradicts the Reykjavik formula. In Reykjavik the Soviet and U.S. leaders have reached agreement that, with medium-range missiles in Europe eliminated altogether, each side will retain 100 warheads on such missiles elsewhere -- the USSR on its Asian territory and the United States on its national territory.

This agreement has been worked out in the course of discussions and exchanges of opinions. It has been based on sound grounds and the American side in Reykjavik has recognized the well-grounded nature of this position of the USSR and agreed with it.

So why is it now that the Soviet Union has made so many compromise steps for reaching agreement on medium-range missiles that the American side is putting forward new demands and new conditions? Objectively speaking, the Soviet Foreign Ministry spokesman said, this new demand by the American side hampers progress toward the agreement.

## Cites 'Deteriorating' Gulf Situation

LD031037 Moscow TASS in English 1018 GMT 3 Jul 87

[Text] Moscow July 2 [date as received] TASS -- The USSR believes that there are at least two reasons for the deteriorating situation in the Persian Gulf: the Iran-Iraq war and the U.S. military buildup in the area, a representative of the USSR Foreign Ministry said at a briefing here today.

He noted that as for the efforts of a political settlement in the area, work is now under way within the U.N. Security Council. At present the USA proposes to raise the level of the debate at the Security Council to a ministerial level and there is even, allegedly, a statement that the U.S. side is ready to send U.S. Secretary of State Shultz to the Security Council. The Soviet Union is not against, in principle, a discussion at the Security Council on the Iran-Iraq conflict at the level of foreign ministers if there is a real need for this.

However we believe, the Soviet representative pointed out, that at the present stage the conditions are not ripe for convening a Security Council meeting to discuss the Iran-Iraq conflict.

In the recent past, the representative of the USSR Foreign Ministry went on to say, pronouncements are often made in Washington to the effect that the USA should be in a hurry with dispatching its ships to the Persian Gulf area and that, if the United States is late with deploying a large naval force there, Russians will be the first to come, etc.

The incantations "Russians are coming" and now the new ones "Asians are coming" and "Latin Americans are coming" are constantly voiced in Washington. They are used to scare the U.S. public, Arabs and other nations.

Russians are coming nowhere, the representative of the USSR Foreign Ministry pointed out. We have no intention to dispatch our warships to the Persian Gulf where there are three Soviet tankers.

Besides, such statements are also designed to facelift somewhat the U.S. policy seriously damaged by the Irangate scandal, said the foreign ministry representative.

## DRA Reconciliation 'Bearing Fruit'

LD031058 Moscow TASS in English 1037 GMT 3 Jul 87

[Text] Moscow July 2 TASS -- The national reconciliation process energetically pursued by the Afghan leadership has been bearing real fruit, but this fact is disliked by those who would hate to see peace and calm in Afghanistan or its progress as an independent and neutral non-aligned state, Boris Pyadyshev, a spokesman for the Soviet Foreign Ministry, told a briefing here today.

This is why, as the national reconciliation process has made headway, military interference in Afghanistan's internal affairs lately has been stepped up as well. The war under way in Afghanistan is an American war, one conducted by the United States.

Had it not been for Washington's funding, for the U.S. arming of Afghan anti-government gangs, for all-round support to the bandits, internal forces in Afghanistan would have long found a way out of the crisis.

As far as the Soviet military contingent on Afghan territory is concerned, the Soviet Foreign Ministry spokesman continued, its functions are known. He described as blatant concoctions reports that Soviet military units are conducting operations against the rural population. There is nothing like it really happening. Soviet arms are only used when there is the need for self-defense in the face of attacks by the bandits.

## Comments on Chernobyl, Rust Case

LD030956 Moscow TASS in English 0855 GMT 3 Jul 87

[Text] Moscow July 2 [date as received] TASS -- The trial of Chernobyl nuclear power plant officials will begin in Chernobyl on July 7, a Soviet Foreign Ministry spokesman told a briefing here today.

Boris Pyadyshev, first deputy head of the Information Directorate of the Soviet Foreign Ministry, in reply to a question from journalists, said that ten foreign correspondents from among those accredited in Moscow could attend the proceedings.

As to the West German pilot, Mathias Rust, the investigation was continuing, he said. According to regulations, it could last up to two months. The term had not expired yet.

"The investigation is thorough. Required examinations and questioning of witnesses are being conducted. [paragraph continues]

"All this, naturally, correspond to procedural rules and consular conventions concluded between the USSR and the Federal Republic of Germany."

West German consular workers, the Soviet spokesman said, had two separate meetings with Rust and two meetings attended by Rust's parents.

KOLESNICHENKO REVIEWS WESTERN REACTION TO PLENUM

LD052041 Moscow Television service in Russian 1400 GMT 5 Jul 87

[From the "International Panorama" program presented by Tomas Kolesnichenko]

[Excerpts] [Kolesnichenko] Hello comrades! It can be said without exaggeration that not only in our country, but also abroad, the last week has passed under the mark of the CPSU Central Committee plenum. Particular attention was paid to the political results of restructuring, the immediate tasks of its contemporary stage, and to its main link -- the radical reform of economic management. [passage omitted]

Frankness, openness, the democratization of our society -- this is where the majority of the mass media devote their attention. What is characteristic? -- the Western mass media have been forced to reject the caricature image of socialism and of the Soviet Union which they themselves cultivated in public opinion over the course of years. For example, such ossified sterotypes of the Soviet Union as a closed society that has fenced itself off from the world behind an iron curtain, where people are deprived of the freedom of self-expression, do not know what criticism of higher levels of authority is, and so on, are currently disintegrating. Our restructuring also exposed the myth of the inviability of the Soviet economy, that it, supposedly, cannot operate without Western technology. Although the theme of the past plenum was our internal affairs, many newspapers, as for example the SUDDEUTSCHE ZEITUNG, note that the process of restructuring is also deepening in the sphere of foreign policy.

The Soviet Union's main tasks, the newspaper writes, are not only economic reform, but also disarmament talks. But talks, as they say, are not the pavement of Nevskiy Prospekt. There are still obstructions along their course. In Geneva, for example. The issue of an INF treaty is currently being discussed there. And what happens? The FRG continues to insist that the Pershing-1A missiles with U.S. warheads should remain after the elimination of all medium-range and operational and tactical missiles. Bonn's position is supported by Washington: They say, these are missiles of a third party, and they are therefore not subject to discussion, as for example, the nuclear weapons of Britain and France. But if this is so, then it has to be admitted that the FRG possesses nuclear weapons, and both Bonn and Washington disown this like the plague because this is a breach of some of the most important international treaties, including the Nonproliferation Treaty. So, it must be agreed that the 72 warheads for the West German Pershings are U.S. and only U.S., and for this reason, in the event of a treaty on INF being signed, they have to be removed from Europe. It's logical, isn't it? It will be necessary, to recognize this logic. But for the moment NATO is stalling and looking for loopholes to at least preserve the infrastructure of U.S. Pershings in Europe and evade a genuine zero solution to the problem of INF in Europe. This of course complicates further steps in Soviet-U.S. relations, for example, a meeting of foreign ministers of the USSR and of the United States.

There are possibilities for such a meeting, but what is there to discuss at the moment? U.S. stalling in Geneva? Isn't it better first of all to remove the obstacles and open the road for a summit meeting?

An Indian proverb says the shortest road is the one that people take in meeting one another. Now that we have started talking about India, then a unique event of the past week has to be noted, the festival of friendship between the USSR and India that will continue for a whole year. Its opening in Moscow, with the participation of the Prime Minister of India Rajiv Gandhi, has become an important international event.

PRAVDA DETAILS AMBASSADORIAL APPOINTMENTS

PM021247 Moscow PRAVDA in Russian 1 Jul 87 Second Edition p 8

[Unattributed "News Item"]

[Text] The USSR Supreme Soviet Presidium has appointed Comrade Yuriy Mikhaylovich Sokolov USSR ambassador extraordinary and plenipotentiary to New Zealand.

The USSR Supreme Soviet Presidium has released Comrade Vladimir Leonidovich Bykov from his duties as USSR ambassador extraordinary and plenipotentiary to New Zealand in connection with his reassignment.

The USSR Supreme Soviet Presidium has released Comrade Feliks Petrovich Bogdanov from his duties as USSR ambassador extraordinary and plenipotentiary to Burkina Faso in connection with his reassignment.

The USSR Supreme Soviet Presidium has appointed Comrade Feliks Petrovich Bogdanov USSR ambassador extraordinary and plenipotentiary to Belgium.

The USSR Supreme Soviet Presidium has released Comrade Sergey Sergeyevich Nikitin from his duties as USSR ambassador extraordinary and plenipotentiary to Belgium in connection with his retirement on pension.

## GROMYKO MEETS WITH FORMER PRESIDENT CARTER

PM031451 Moscow PRAVDA in Russian 3 Jul 87 Second Edition p 2

["Conversation in the Kremlin"]

[Text] Andrey Gromyko, member of the CPSU Central Committee Politburo, president of the USSR Supreme Soviet Presidium, received in the Kremlin on 2 July the prominent member of the Democratic Party and former President of the United States Jimmy Carter, who is now staying in the Soviet Union.

Jimmy Carter spoke highly of his meeting yesterday with the Geveral Secretary of the CPSU Central Committee Mikhail Gorbachev during which he sensed the new, fresh approach of the Soviet Union to international problems of our time.

Andrey Gromyko emphasized the importance of the Soviet Union's stand on the question of fully liquidating nuclear arms by the beginning of the 21st century. The total elimination of the nuclear monster which is creating a mortal danger to mankind is the main issue of the world's future security. This danger can grow if mankind, its will and reason do not find a solution to this burning problem.

Andrey Gromyko and Jimmy Carter stressed the importance of the present stage in Soviet-U.S. relations when accords on concrete measures to reduce nuclear arms can be achieved if both sides display political will. In particular, already in the near future it could be possible to conclude an agreement on the elimination of U.S. and Soviet medium-range missiles in Europe. Unfortunately, as A.A. Gromyko noted, the position taken by our partners still creates difficulties on the road to this agreement. Many other important Soviet initiatives directed at solving key questions of security have not received a constructive reply.

[Regional policy problems were also dealth with, including the situation in the Middle East, the Persian Gulf, Central America, Southeast Asia and the south of Africa. Andrey Gromyko outlined the USSR's consistent stand in favor of a just solution of the existing international problems by peaceful means.

In conclusion of the converstation Andrey Gromyko stressed the important role that prominent politicians and public figures, who are aware of the common responsibility for the destiny of peace, can play in international affairs even if they do not hold official posts.

## PRAVDA REPORTS DOBRYNIN-CARTER MEETING

PM031429 Moscow PRAVDA in Russian 3 Jul 87 Second Edition p 4

[TASS report: "Reception at the CPSU Central Committee"]

[Text] On 2 July CPSU Central Committee Secretary A.F. Dobrynin received former U.S. President J. Carter, who is in Moscow on a short visit.

During their conversation the present state of Soviet-U.S. relations and prospects for their development were discussed.

J. Carter expressed great satisfaction with the meeting which he had with M.S. Gorbachev. He emphasized that he takes a special interest in the great innovative activity of the general secretary of the CPSU Central Committee in the sphere of restructuring in the Soviet Union and also in the sphere of foreign policy which is based on the new thinking in international affairs.

U.S. MOVES AGAINST PANAMA, PRC, ROMANIA

PM030953 Moscow PRAVDA in Russian 2 Jul 87 Second Edition p 5

[Vitaliy Korionov "Political Observer's Notes": "Breaking into Other People's Houses"]

[Text] The governments of three countries -- China, Romania, and Panama -- have in recent days lodged protests with the U.S. Government. These countries are located in different parts of the world and the protests have been lodged by their governments fro different reasons, but they have one thing in common -- they resolutely protest crude interference on the party of Washington authorities in the internal affairs of sovereign states.

And indeed, the lawmakers on Capitol Hill have been seized by a cynical desire to dictate to other peoples and states how they should live and what they should do.

The hearts of the Panamanians are overflowing with anger. The U.S. Senate has adopted what is indeed a scandalous resolution. Having lost all sense of proportion, the U.S. Senators have demanded in the form of an ultimatum that Brigadier General Manuel Antonio Noriega, commander in chief of the Panamanian National Defense Forces, be replaced.

M. Noriega is a comrade in arms of the leader of Panamanian revolutionary process, General O. Torrijos, under whose presidency the Panama Canal Treaty with the United States was signed in 1977. In accordance with this treaty Panama is "gradually" acquiring the right to manage the canal, gaining full control by the year 2000. This treaty is a thorn in the flesh of those Washington politicians who, in line with President Reagan, claim with reference to the Panama Canal: "It is ours and we must hang on to it." As a consistent continuer of Torrijos' course, General Noriega has taken a firm stance on the canal. He is also a resolute supporter of the Contadora process and of Panama's friendly relations with Nicaragua and Cuba.

And now the gentlemen enthroned on Capital Hill are demanding that this patriot be removed. This is indeed unprecedented. It once again shows what Washington politicians' assurnaces of their commitment to freedom, democracy, and sovereignty are worth. People in the U.S. Capital seem to be unaware that this is no longer the 19th century, that we are on the threshold of the 21st century, that we live in a time when peoples have firmly decided to become masters in their own homes.

China has lodged a resolute protest with the U.S. Government. The cause is the adoption by the U.S. House of Representatives of amendments on "the violation of human rights in Tibet" and on "human rights in China." The U.S. lawmakers are not put out by the generally recognized historical fact that Tibet is an integral part of Chinese territory. They mechanically continue to refer to China's "military occupation" of Tibet. The PRC Embassy in the United States has declared that the aforementioned amendments are a serious distortion of the actual situation in China and that by slandering the Chinese Government and people they consitute gross interference in China's internal affairs and has demanded that the United States adopt measures to eliminate the serious consequences of the two amendments and to prevent a repetition of similar incidents in the future.

The report that the U.S. Senate has passed a draft amendment suspending the most favored nation status granted to Romania for a period of 6 months has been received with amazement and indignation by the Romanian public. The entire responsibility for the consequences of this decision passed by the U.S. Senate falls on those who adopted it, Bucharest has stated.

A U.S. political scientist H. Cleveland has boasted: "In the jungles of present-day international politics we are the lion." Washington's foreign policy activity confirms that it would indeed like to introduce the law of the jungle in relations between states. The problem is that the rest of the world is against this. And times have changed!

U.S. USING COCOM TO WEAKEN TRADE RIVALS

LD021310 Moscow TASS in English 1224 GMT 2 Jul 87

[Text] Moscow July 2 TASS -- TASS commentator Ivan Ablamov writes: The motive force behind current American reprisals against Japanese companies trading with socialist countries is, according to Western press reports, COCOM.

The United States is actively using this organ, which was set up in "cold war" years, to weaken the exports positions of its rivals -- Japan and Western Europe -- and secure as many advantages as possible for itself.

At the last COCOM conference in the French capital Washington pressed its partners to toughen controls over trade with socialist nations. It motivated its dictates by citing "Western security interests".

But well-known American Senator Jake Garn at a congressional hearing disclosed the real reason why the United States is eager to limit its allies' commercial contacts with socialist countries, by saying America wanted to deal its rivals a painful blow.

As a result of American pressure, West European and Japanese companies have indeed been losing hundreds of millions of dollars worth of contracts with socialist countries and consequently their strength in competition with U.S. corporations.

The United States has dramatically increased its blackmailing of partners because it is aware of losing the struggle for world markets and because it has suffered a record balance of payments deficit. Washington clearly wants to mend its affairs at the expense of its partners, establish control over their export policies and seize markets for its own products.

American bans on the sale of high-tech products to socialist countries are directly linked in the West to the U.S. loss of dominant positions in their manufacture, where rivalry is fierce.

The Japanese newspaper NIHON KEIZAI wrote the impression was the U.S. scientific and technological strategy was directed against its Western allies rather than against the Soviet Union.

Allies have frequently accused Washington of using double standards. The French newspaper TRIBUNE DE L'ECONOMIE said that keen to reduce its balance of payments deficit, the United States demanded, depending on its interests in trade with socialist countries, now tough controls and now a more flexible approach. It said, for example, that while computers of the French firm Thomson had been covered by COCOM bans, the sale of similar American computers of the ITT company had been allowed.

The victims of such perfidy have also included Swedish Ericsson, British Plessey and French Pegard. The large size of the market of socialist countries naturally attracts both West European and American companies, but Washington is bent on putting itself in a special position.

The U.S. double standards have been a cause of irritation to its partners. During another review of the "blacklists" last November allies called for loosening discriminatory restrictions on trade with the East. Washington obviously did not like that.

DEMOCRATS WITHDRAW DEMAND FOR SALT COMPLIANCE

PM010847 Moscow SOVETSKAYA ROSSIYA in Russian 28 Jun 87 First Edition p 5

[TASS report: "Amendment Canceled"]

[Text] Washington, 27 Jun -- Under strong pressure from the White House and administration supporters on Capitol Hill the leaders of the Democrats in the U.S House of Representatives have decided to withdraw an important amendment to the bill on extra appropriations for fiscal 1987 which envisaged curbing U.S. militarist programs. The amendment demanded that the administration observe the Soviet-American SALT II treaty, which Washington unilaterally violated last year.

Observers note that the Democrats' decision was influenced by President Reagan's threat to veto any version of the bill which compelled the administration to adhere to the SALT II treaty.

ADAMISHIN, CROCKER HOLD 'BUSINESSLIKE' TALKS

LD021901 Moscow TASS International Service in Russian 1746 GMT 2 Jul 87

[Text] London, 2 Jul (TASS) -- USSR Deputy Foreign Minister A.L. Adamishin, and U.S. Assistant Secretary of State C. Crocker, continuing the existing practice, conducted a businesslike exchange of views here on the situation in the south of Africa and in other parts of the continent.

RAZUMOVSKIY SPEAKS AT BEIJING RECEPTION

PM031043 Moscow PRAVDA in Russian 3 Jul 87 Second Edition p 4

["Arrival in Beijing"]

[Text] Beijing -- A delegation of the commissions of legislative suggestions of the Soviet of the Union and the Soviet of Natinalities (chambers) of the USSR Supreme Soviet (parliament), led by Georgiy Rasumovkiy, chairman of the Legislative Proposals Commission of the Soviet of the Union of the USSR Supreme Soviet, secretary of the CPSU Central Committee, arrived in the PRC today at the invitation of tha National People's Congress (NPC).

The delegation was greeted at the Chinese capital's airport by Song Rufen, vice chairman of the NPC Law Committee, and other officials.

Speaking at a reception given in honor of the Soviet delegation, Peng Chong, deputy chairman of the NPC standing committee, chairman of the NPC standing committee, chairman of the NPC legal commission, expressed confidence that regular contacts between top power bodies and their standing commissions prompted deeper mutual understanding and stronger traditional friendship between the peoples of the two countries.

In the process of socialist modernization in China, he said, much attention is being attached to the study of and drawing on the useful experience of other countries, first of all, that of socialist ones.

Having emphasized that the PRC follows the course of reorganization in the Soviet Union with much attention, Peng Chong pointed out that the widening of relations and contacts between the two countries favored socialist construction in the PRC and the Soviet Union

The Soviet leadership, Georgiy Razumovskiy said in his speech, attaches much importance to further improvement of relations with the PRC and to their steady advance toward full normalization, and strong goodneighborly cooperation. He pointed out a great role of cooperation between the top power bodies of the two countries, and declared for wider and deeper contacts between them.

The Soviet side intends to continue to make efforts for relations with China steadily to follow an upward trend.

Speaking of the process of transformations in the Soviet Union, the leader of the Soviet delegation emphasized the great importance of the CPSU Central Committee June Plenum and of the seventh session of the USSR Supreme Soviet for deepening the reorganization process.

The ultimate goal of the changes being effected now is absolutely to revitalize all aspects of the countrys's life, to give socialism the most up-to-date forms of social organization, and most fully to unfold the humanistic nature of the soicalist system.

Peace is essential for the implementation of the creative plans, he pointed out. Therefore, while developing democracy inside the country, the Soviet Union comes out in favor of humanizing international relations, developing a broad democratic dialogue between all countries in the world, and in favor of restructuring international relations in line with the peoples' aspirations, and building a truly demilitarized world.

The Soviet delegation laid a wreath at the monument to people's heroes in Tienanmyn Square.

GOVERNMENT STATEMENT ON PERSIAN GULF SITUATION

PM060934 Moscow PRAVDA in Russian 4 Jul 87 Second Edition p 3

["Soviet Government Statement"]

[Text] A dangerous growth of tension is taking place in the Perisan Gulf lately. A drastically increased number of warships, including those of states located thousands of kilometers away from this important area, are plying international waters traditionally used for trade and other peaceful carriage. The continuation of the long and senseless war between Iran and Iraq aggravates the situation as a result, and events there are approaching a danger line beyond which the regional conflict risks developing into an international crisis situation.

It is absolutely clear that these processes, if not stopped in time and not placed under control, might turn into a serious threat to international peace and security even contrary to the will and intent of the states drawn into them. Such a course of events causes the lawful alarm of the entire international community. Likewise this cannot but cause the concern also of the Soviet Union which is located in direct proximity to the expanding seat of conflict.

In these conditions there arises the pressing need to adopt urgent and effective measures that would promote a radical scaling down of tension in the Persian Gulf zone and the speediest ending of the Iran-Iraq war. What is meant are steps really directed at a genuine attainment of the said aims. Pseudo-measures supposedly motivated by concern for the safety of shipping or "ensuring stabilization" in the Persian Gulf but in reality prompted by selfish egoistic designs are absolutely impermissible. Precisely such actions are now being undertaken by the United States which would want to exploit the present alarming situation in the Persian Gulf area to achieve its long harboured plans of establishing military-political hegemony in this strategically important area of the world that Washington is trying to present as a sphere of American "vital interests". Such is the real explanation of the U.S. policy of building up its military presence although it is trying to cover this up with stereotype contentions about the existence of a "Soviet threat".

There are only a few naive people who are still prepared to believe such allegations, that serve only as a smokescreen for the U.S. expansionist plans and actions. As to several Soviet warships staying in the Persian Gulf, to which they in Washington refer, they have to stay in the Gulf for they accompany Soviet merchant ships and have nothing to do with the heightening of tension in the area. Moreover, as is well known, the Soviet ships were sent to the Gulf at the request and with the knowledge of littoral states.

Proceeding from the need for radical measures to improve the situation in the region, the Soviet Government suggests that all warships of states not situated in the region be shortly withdrawn from the Gulf and that Iran and Iraq, in their turn, should keep from actions that would threaten international shipping. Such measures taken in the context of all-embracing settlement of the Iran-Iraq conflict, would help calm the situation and eliminate the threat of the spread of an explosive seat of military tension.

The Soviet Union reaffirms its principled stand in favor of bringing about an end to the Iranian-Iraqi war and solving contentious issues between Iraq and Iran at the table of political negotiations, and not on the battlefield.

In this connection we attach special importance to the political efforts being made now within the framework of the United Nations Organization with a view to directing the Iranian-Iraqi conflict into the channel of peaceful solutions.

At one with the other members of the U.N. Security Council, we come out in favor of effective measures in this direction, and, specifically, in favor of immediate cessation of fire and of all hostilities, and a withdrawal of all troops to the internationally recongnized borders without delay.

The U.N. secretary-general may play a substantial role in the cause of achieving a just settlement acceptable to the two sides.

The Soviet Union supports the peace-making mission of the U.N. secretary-general, and is calling on all the other countries to render every kind of assistance to its successful accomplishment.

The acuteness of the situation in the Persian Gulf area and the need to quickly bring about an end to the Iranian-Iraqi conflict require that all countries pursue a policy of real constructive deeds, a policy prompted by the supreme interests of preserving peace and effectively strengthening international security, and not practise 'gunboat diplomacy'.

The Soviet Union is ready to cooperate with all those who really share these aims.

## FURTHER REPORTAGE ON GANDHI'S OFFICIAL VISIT

### Interviewed by TASS

LD010912 Moscow TASS in English 0806 GMT 1 Jul 87

[Text] New Delhi July 1 TASS -- Prime Minister Rajiv Gandhi of India has expressed high appreciation of the progressive development of Soviet-Indian relations in the recent period of time, specifically, after the visit of Mikhail Gorbachev, general secretary of the CPSU Central Committee, to India in November 1986 and the reaching of agreements in the course of the summit meeting in New Delhi.

The head of the Indian Government gave an interview to Soviet correspondents on the eve of his official friendly visit to the USSR. He said:

"During the last few years the relations between the Soviet Union and India have improved tremendously. And it is all the more significant because they were already very good. During these last months since General Secretary Gorbachev's visit, a number of things have happened and I do not think there is enough time to go into every thing. But perhaps the most significant thing that happened during the visit was the signing of the Delhi declaration, which is a major step forward in thinking for big countries in the world. We have also had a material change in our relationship in the technological exchanges that are to take place.

"Already a team of very senior scientists and academicians with academician Guriy Marchuk at its head has visited India. Our scientists are at this time in the Soviet Union. This will be a major step forward in the Indo-Soviet relations, because for the first time it will be more than just trade, it will be working together at the cutting edge of science and technology of development. [paragraph continues]

We will be signing an agreement when I am in Moscow a few days from now and that will really be one more turning point in our relations. Apart from this there has been a lot that we have done in trade, in other cooperations. The field is so vast that it is difficult to include everything."

Answering the question on what is to be done for achieving an early elimination of nuclear weapons and for stopping the arms race in the world altogether, Rajiv Gandhi said:

"I do not think the question is can we achieve it, the question we should be asking is what happens if we do not achieve it. We have already seen that nuclear weapons are perhaps the biggest danger ever faced by the humanity. [as received] As the technology advances that danger increases, it does not decrease. As speeds of missiles increase, the time difference between the firing of the missiles and the striking of the missiles is reduced. With new developments such as "Star Wars", the SDI programme, new spheres of tensions have brought in. [as received] Space for the first time will be a battle field.

"We feel this whole trend in nuclear proliferation which is propounded by the theory of balance of power, which is in fact not working at all, it is much more appropriate to call it a balance of terror or what is now known as mad, or mutual assured destruction. And this is where we feel that steps that General Secretary Gorbachev has suggested, I think, almost continuously since he has come in, are a tremendous boost for all those who work and hope for peace. We hope that there will be a positive response to these overtures for peace from the other side of the part. [as received] It is time that the world stopped looking at how to destroy each other and invested much more in development, in progress and in humanity."

The head of the Indian Government described India's festival in the USSR that opens on July 3 and is devoted to the 40th anniversary of the country's independence, as well as the coming festival of the USSR in India devoted to the 70th anniversary of the Great October Revolution as "another major event in our relations". He said: "Any such festival takes the relationship between the two countries beyond the governments and to the people. And that is where friendship really begins, and we hope that this festival in the Soviet Union, relations between the Soviet Union and India will reach out beyond government exchanges and government interactions to the people of the Soviet Union and the people of India". [sentence as received]

Touching upon important and urgent problems facing India today and the government he is heading, Rajiv Gandhi said that "the biggest perhaps is the economic development, the uplift of our poor people. But we do not want a sort of dry economic development. It must be accompanied by the development of the human being, by a spiritual development. And I think doing both together is the real challenge that we are facing and in doing this we have chosen a path that is our own, that is Indian, it is not taken from any other mode...What that means is that sometimes the vested interests that have made use of positions of the countries, country being in particular position, are upset when we try to break out of the mode. And whenever that happens pressure is brought upon. But India has shown in the past that India is strong, we do not deviate from our path. We will stick to our ideologies, to our principles and face whatever pressures come our way. Our struggle has not been just for the poor people of India, it has gone wider than that, it has been a struggle for the poor in the world, for the enslaved and depressed in the world".

"And whenever we fight back at a higher and a stronger way, the pressures upon us increase all the more. [paragraph continues]

We have seen during the past two years when we raised the issue of South Africa to a new plane, to a new level, when we raised our voice on disarmament, whenever we challenged unilateral action which has been totally against all norms of the international behaviour, we have had pressures put upon us to try and suppress us, to try and quiet us. But we will not deviate from the path that we have taken and that together with economic, cultural and spiritual development is, perhaps, the biggest challenge that we are facing today", Rajiv Gandhi continued.

The Indian prime minister emphasized that Indo-Soviet economic cooperation was helping a lot in the solution of India's socio-economic problems. "The new cooperation that we have been talking about during these last seven months since General Secretary Gorbachev's visit perhaps will be even more helpful in this development", he pointed out.

He said in conclusion that he was going to Moscow "very relaxed, looking forward to the opening of the festival, meeting your leadership and meeting your people."

Welcomed by Gorbachev

LD021318 Moscow Domestic Service in Russian 1200 GMT 2 Jul 87

[Text] Rajiv Ghandi, prime minister of the Republic of India, arrived in Moscow today at the invitation of the Soviet leadership on an official, friendly visit. At Vnukovo airport the national flags of India and the Soviet Union were raised, and servicemen of the honor guard were lined up in tight formation. At the steps of the plane the head of the Indian Government and his wife were warmly greeted by Comrade Ryzhkov, member of the CPSU Central Committee Politburo, chairman of the USSR Council of ministers, and his wife; Comrade Shevardnadze, member of the CPSU Central Committee Politburo and USSR minister of foreign affairs; and Comrade Dobrynin, secretary of the CPSU Central Committee.

The commander of the honor guard presented a report to the leader of the friendly country. The orchestra played the national anthems of India and the Soviet Union while the heads of government of the two countries inspected the line of Soviet servicemen.

Also present at the airport reception were Comrades Kamentsev and Tolstykh, deputy chairmen of the USSR Council of Ministers; Comrade Marchuk, president of the USSR Academy of Sciences; Comrades Aristov, and Volkov, ministers of the USSR; Comrade Vorontsov, the USSR first deputy minister of foreign affars; Comrade Saykin, chairman of the ipolkom of the Moscow Soviet; Comrade Rykov, USSR ambassador to India; and other officials, among whom was Comrade Kaul, Indian ambassador to the USSR.

The welcoming ceremony was concluded by a march past by the honor guard. A cortege of vehicles accompanied by a motorcycle escort of honor then left the airport for the Kremlin.

A festive welcoming ceremony for the Indian prime minister was held in the Georgiyevskiy Hall of the Great Kremlin Palace. Rajiv Gandhi and his wife were cordially greeted by Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee, and his wife. A brief conversation took place.

## Talks with Gorbachev

PM031427 Moscow PRAVDA in Russian 3 Jul 87 Second Edition p 1

[TASS report: "Meeting between M.S. Gorbachev and R. Gandhi"]

[Text] The first of the scheduled meetings between M.S. Gorbachev, general secretary of the CPSU Central Committee, and Prime Minister Rajiv Gandhi of India was held in the Yekaterinskiy Hall in the Kremlin 2 July. The meeting lasted more than 2 hours. Views were exchanged on a wide range of topical international and regional problems and a discussion of key questions of bilateral cooperation, which is entering a qualitatively new stage, began.

The conversation passed in an atmosphere of mutual understanding and amiability characteristic of the relations which have developed between the two leaders.

The exchange of views was continued in the evening during a friendly meeting in a narrow circle.

## Indira Gandhi Monument Unveiling

PM061044 Moscow PRAVDA in Russian 4 Jul 87 Second Edition p 1

[TASS report: "To the Great Daughter of a Great People: Unveiling of the Monument to Indira Gandhi in Moscow"]

[Excerpt] An elegant woman in an Indian sari, her hand raised in welcome -- that is how Indira Gandhi is shown in a bronze monument which was unveiled 3 July in a Moscow square bearing the name of the great daughter of the Indian people.

....A bright sunny morning. A gentle breeze rustles the leaves of the young trees planted in the little square around the pedestal of the monument. The state flags of India and the USSR fly from the flagpoles.

Thousands of Muscovites and guests of the capital who had gathered in the square greeted warmly M.S. Gorbachev, general secretary of the CPSU Central Committee, and Indian Prime Minister R. Gandhi.

Taking part in the unveiling ceremony were N.I. Ryzhkov, member of the CPSU Central Committee Politburo and chairman of the USSR Council of Ministers; E.A. Shevardnadze, member of the CPSU Central Committee Politburo and USSR foreign minister; B.N. Yeltsin, candidate member of the CPSU Central Committee Politburo and first secretary of Moscow CPSU Gorkom; and A.F. Dobrynin, secretary of the CPSU Central Committee. Also present were V.M. Kamentsev, deputy chairman of the USSR Council of Ministers, V.G. Zakharov, USSR minister of culture, and other Soviet and Indian officials.

The Soviet-Indian friendship rally was opened by V.T. Saykin, chairman of Moscow Gorispolkom.

M.S. Gorbachev and R. Gandhi cut the red ribbon, and the cover fell away from the monument.

The state anthems of India and the Soviet Union rang out solemnly in the square. [passage omitted]

Science Agreement Signed

LD031048 Moscow Domestic Service in Russian 1030 GMT 3 Jul 87

[Text] Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee, and Rajiv Gandhi, prime minister of India, today signed in the Great Kremlin Palace a comprehensive long-term program of scientific-technical cooperation between the USSR and India.

Present at the signing ceremony were, on the Soviet side: Comrades Vorotnikov, Gromyko, Zaykov, Ligachev, Nikonov, Ryzhkov, Slyunkov, Solomentsev, Cherbrikov, Shevardnadze, Yakovlev, Dolgikh, Yeltsin, Talyzin, Yazov, Biryukov, Dobrynin, Lukanov, Medvedev, Kapitonov; deputy chairmen of the USSR Council of Ministers, ministers of the USSR, chairmen of state committees of the USSR and other officials. On the Indian side were officials accompanying Rajiv Gandhi on his trip.

Further on Agreement

BK031305 Delhi Domestic Service in English 1230 GMT 3 Jul 87

[Text] India and the Soviet Union have entered into an agreement on long-term cooperation in the field of science and technology. The prime minister, Mr Rajiv Gandhi, and the Soviet leader, Mr Gorbachev, signed the agreement at the Kremlin in Moscow this afternoon.

The agreement envisages setting up of joint projects and sharing of information on the results of research and development. Eight specific areas identified for cooperation between the two countries include space science, electronics and computers, immunology, material science, and technology. Under the agreement, there will be an exchange of specialists on a large scale. A joint council will monitor the implementation of the program and chalk out new projects. It will meet once a year alternately in India and the Soviet Union.

In an informal chat with newsmen after the signing ceremony, Mr Gorbachev expressed the hope that the Indo-Soviet cooperation will now become more dynamic. He described his talks with Mr Gandhi as wide ranging. He said they discussed crucial international issues. Matters of mutual interest also came up for discussion.

Meets Ryzhkov, Shevardnadze

LD031900 Moscow TASS International Service in Russian 1800 GMT 3 Jun 87

[Text] Moscow, 3 Jul (TASS) -- Talks took place in the Kremlin today among Nikolay Ryzhkov, member of the CPSU Central Committee Politburo and chairman of the USSR Council of Ministers; Eduard Shevardnadze, member of the CPSU Central Committee Politburo and USSR minister of foreign affairs; and Rajiv Gandhi, prime Minister of India.

In the course of the talks, which proceeded in an atmosphere of mutual understanding and amicability, which is characteristic of relations between the Soviet Union and India, matters in the domestic life and international policy of the two friendly states were discussed. Satisfaction with the high standard of Soviet-Indian relations was expressed on both sides, and the desire to develop and improve them further was stressed.

Both sides stressed the community of fundamental interest between the USSR and India in creating a non-nuclear and non-violent world and noted that the active cooperation of the USSR and India in the world arena is an important stabilizing factor of global proportions and plays an essential role in normalizing the international situation in Asia and in the world as a whole. Mutual desire was confirmed for the further expansion and improvement of cooperation between the two countries in the interests of strengthening peace and international security on the basis of the Delhi Declaration on the principles of a world free of nuclear weapons and violence.

The sides noted the growing role in world affairs of the Nonaligned Movement which is becoming ever more actively involved in the struggle to avert nuclear war and to strengthen cooperation among states in the name of peace and development.

The Soviet side reaffirmed its deep and invariable respect for the independent foreign policy course of the Indian leadership. The inadmissibility of foreign interference in the internal matters of states aimed at achieving changes in their independent foreign policy was specially emphasized.

The Indian prime minister was briefed on the decisions of the June CPSU Central Committee Plenum, the process of restructuring of the economic mechanism taking place in the Soviet Union, and the important transformations in the political, social, and cultural fields.

Questions of bilateral Soviet-Indian cooperation, including its principal long-term directions, were discussed in depth during the negotiations. The sides noted that the implementation of accords reached during top-level negotiations in Delhi and in Moscow made it possible to guarantee a genuine turning point in the whole system of Soveit-Indian relations and to more efficiently use the production and scientific potential of both states which is shown by a whole number of important agreements and long-term programs in the fields of trade and economic, and scientific and technical relations signed by the USSR and India. The sides reaffirmed their desire to more actively move on to new forms and methods of cooperation, develop co-production and specialization of production, and establish direct contacts between Soviet and Indian ministries, associations, enterprises, and firms.

They also discussed concrete questions connected with the creation of joint enterprises in the USSR and India, the implementation of Soviet-Indian projects in the scientific and technical sphere, and the deepening of co-production and the development of trade. Confidence was expressed that R. Gandhi's official friendly visit to the USSR will be an important new step in the development of Soviet-Indian relations in the interests of improving the international situation.

Taking part in the talks were: on the Soviet side -- V.M. Kamentsev and B.L. Tolstykh, deputy chairman of the USSR Council of Ministers; G.I. Marchuk, president of the USSR Academy of Sciences; B.I. Aristov, USSR minister of foreign trade; K.F. Katushev, chairman of the USSR State Committee for Foreign Economic Relations; Yu.M. Vorontsov, USSR first deputy minister of foreign affairs; and other officials. On the Indian side -- P.V. Narasimha Rao, minister of human resources, health and family welfare; N.D. Tiwari, minister of external affairs; Arjun Singh, minister of communications; M. Alva, minister of state for youth affairs, sports and child development; and others.

## Honored at Luncheon

LD031710 Moscow Domestic Service in Russian 1400 GMT 3 Jul 87

[Text] A luncheon in honor of Rajiv Gandhi and his wife has been given at the Great Kremlin Palace on behalf of the Soviet leadership. Present with the prime minister were Indian officials accompanying him on this trip. Comrade Gorbachev, with his wife; Comrades Vorotnikov, Gromyko, Zaykov, Logachev, Nikonov, Ryzhkov, Slyunkov, Solomentsev, Chebrikov, Shevardnadze, Yakovlev, Dolgikh, Yeltsin, Talyzin, Yazov, Biryukova, Dobrynin, Lukyanov, Medvedev, and Kapitonov; deputy chairmen of the USSR Council of Ministers; USSR ministers; chairmen of USSR state committees; and other officials were present from the Soviet side. At the luncheon, which passed in a cordial, friendly atmosphere, Mikhail Sergeyevich and Rajiv Gandhi exchanged speeches which were listened to with great attention and met with applause.

## Gorbachev Speaks at Luncheon

PM060932 Moscow PRAVDA Russian 4 Jul 87 Second Edition p 2

[Text] Esteemed Mr. Prime Minister,
Esteemed Mrs. Gandhi,
Dear Indian friends,
Comrades,

Let me cordially greet Prime Minister Rajiv Gandhi and the members of the Indian delegation. You are always welcome guests here. We are glad at this opportunity to repay the warmth and hospitality which were accorded to us so generously recently in New Delhi.

Soviet-Indian summit meetings have served our states and peoples well. They have always imparted an impulse to the future both of our bilateral relations and, in no small measure, to international development.

After our last meeting with you, joint efforts have been made to realize the understandings reached there. Our renewal drive has helped them as well. There are grounds for saying that our interaction is reaching a radically new level. This is borne out also by the just-signed comprehensive long-term program for scientific and technological cooperation.

The Delhi declaration we adopted last November is a really new and fruitful phenomenon. It has riveted general interest. The ideas laid down in it are influencing, directly or indirectly, the moral and political climate in the world. The fact that such countries as India and the USSR are behind them has made them a factor of real politics.

The philosophical and moral basis of the Delhi declaration is the priority of universally shared human values at a time when the problem of mankind's survival has become disturbingly real and dictates the vital need for a new manner of thinking in world politics.

We are both far from claiming to be in a position to give prescriptions to everyone on how to act in his own specific conditions to help avoid catastrophe. But the reasonableness of the goal is obvious. This goal, a world free from nuclear weapons and violence, is also the only goal possible. Vladimir I. Lenin spoke of "mankind's far wider collective experience, which has left its impression on the history of international democracy." As far as we are concerned, we are prepared to derive everything valuable from this experience.

New thinking is rejected by conservative forces. All manner of dogmatics and skeptics are in the same camp with them. No arguing, it is not easy to overcome the age-old view on the purpose of foreign policy. There is a thicket of problems and logjams confronting us.

But time demands a constructive answer to this question: "What is to be done?", it demands an alternative to power politics, to "nuclear deterrence" and to military doctrines based on intimidation.

This is why I would like to call attention once again to the idea of a comprehensive systems of international security.

What meaning do we put in the notion "comprehensive"? It should be both horizontal, covering all countries and regions, and vertical, taking into account all factors affecting international relations - military, political, economic, ecological and humanitarian. Undertaking to build an edifice of security, we should show equal concern for constructing each of its stories and each of its sections.

We are aware that a comprehensive system of international security cannot be obtained all at once, in ready-made form, as a kind of artificial structure fitted onto the living fiber of international bonds and contradictions. It is not a static but a dynamic system. Its dynamism depends on purposeful activities by the entire community of states.

No single country or even group of countries can monopolize the functions of the architect and builder of such a system. This is an international matter taking joint efforts and time.

Have we all been able to get any nearer to a safer world lately? There have been some encouraging signs.

We can see something has already changed in worldwide public awareness. The voices of political realism have been sounding ever more forcefully and authoritatively. More and more people have been actively upholding the positions of reason. There has been less and less trust in those shunning equal dialogue and a serious search for ways of ending the arms race and lessening the nuclear threat.

Public opinion in the world has begun making a stronger impact on this process. It has proved possible to check escalating tension.

As a result, there has emerged the possibility of taking a first step and signing an agreement on medium-range and operational and tactical missiles, which would open the prospect of further, larger strides.

As yet, however, it is just a possibility. NATO has erected hindrances this time as well. The reasons remain the same: the vested interests of influential militarist groups in an arms race and, consequently, the absence of a constructive concept in NATO ruling quarters on how to build East-West relations if confrontation is to be renounced. They do not have a replacement for the now utterly unacceptable concept of "nuclear deterrence".

If the view of the NATO leaders on prospects for world development in the 21st century is presented in as simple form as possible, what becomes exposed is their perplexity and lack of realism: We propose dismantling the entire system of weapons of mass annihilation and reducing other weapons to the level of sensible sufficiency. In response, we are being offered a dismantling of a social system -- our system. The absurdity of this "dilemma" does not deserve even a refutation.

Esteemed Mr. Prime Minister,

Speaking in Vladivostok a little less than a year ago, I set out our view of security in the Asian-Pacific part of the present world.

In Delhi, we discussed with you this major direction of world politics. In the time that has passed, the Soviet Union sought to expand its positive contribution to the region's affairs, establish, renew and step up contacts with a number of countries situated there.

We can state with satisfaction that we are encountering ever greater understanding of our policy, our intentions, which are not directed against anyone's interests, do not encroach upon anyone's independence.

An increasing number of countries, even those situated far from focuses of conflicts and acute confrontation, adopt a position in favor of talks, national reconciliation and normalization of the situation around these focuses. In this way they are beginning to use more actively their right to participation in world affairs. We welcome this.

The interdependence of the entire modern world is such that with each passing year and every event of international import, it is making itself felt ever more clearly. This has also been the case with the talks on nuclear missiles in Europe. We are aware of the link between that issue and problems of the military threat and security in Asia and the Pacific. We are concerned with it directly because a vast part of the Soviet Union's territory lies in Asia and the Far East.

Let me make it clear once again -- we emphatically propose to open talks with the United States on nuclear armaments in the Asian and Pacific region and approach that problem on the basis of reciprocity and with strict account of the security interests of all.

There is no doubt that on a broad philosophical and political plane that core of universal security is trust. I'm raising this question not because I want to join in the old scholastic argument: What appeared earlier, the chicken or the egg, that is, mistrust or the arms race?

It cannot be denied that, historically, mistrust in international affairs was a reaction to the emergence of states with a new social system or a differing political order. However, it became a factor of tension and even the cause of wars when it was transformed into a polilcy of intervention and aggression. This is now truer than ever.

It is precisely an infringement on independence and the encroachment on the right of each people to an independent choice and an original way of development which is the source of mistrust with all its perilous consequences for all humankind in our complicated age.

Soviet-Indian relations are in this sense a very beneficial "object" for reflections on the problem of trust.

They have developed to their unique level precisely owing to the fact that throughout their history the principle of independence, equality and non-intervention in each other's domestic affairs has been strictly observed, let me say more -- painstakingly cultivated.

We have arrived at the identity of views on many current issues, each traversing one's own road, proceeding from our own compelling motives.

This is why one can see in our relations sprouts of such international order in which peaceful co-existence and mutually beneficial cooperation in good faith will become a universal norm.

Mistrust has been placed outside the framework of relations between the governments and the peoples of the Soviet Union and India. Our good relations are causing virtual allergy among definite political quarters in the world. Those who are bent on militarism, escalation, confrontation and on kindling regional conflicts.

The role of India, a major modern power, in world politics does not suit them. They want to check the growth of its influence on international affairs. We can see how without scruples in the choice of means pressure is being put on India. How attempts are being made to destabilize the situation inside and around the country.

The Soviet Union is expressing its full understanding of the concern of the people and Government of India over the hostile anti-Indian campaign aimed at undermining the country's unity and weaking its international potential.

The world is moving -- through immense difficulties, amid the struggle of contradictions, through the collision of interests and trying to cope with unheard-of problems -- toward such a status when interstate relations will be based on the same moral principles that are underlying relations between people. "Wrath gives birth to delusion, delusion impairs memory, impaired memory kills cognition and without cognition man perishes." It is very appropriate to recall these words from Mahabharata today.

Dear friends, the peaceful policy of our great southern neighbor is held in high esteem in the Soviet Union. We are interested in a united, strong and independent India playing an outstanding role in the Nonaligned Movement and the initiatives of the six states. India of that kind is an immutable and indispensable factor of peace and security in Asia and the world over.

We are glad to meet again with you, Mr Prime Minister, and other Indian statesmen.

We are glad our policy of mutual understanding, trust and cooperation is being supplemented with the "diplomacy of the masses" embodied in the festivals to be held in the Soviet Union and India.

I wish you, esteemed Mr Prime Ministers and Mrs Gandhi, health, happiness and success and I wish Soviet-Indian friendship development and luxurious flourishing.

## Indian-Soviet Festival Opening

PM061046 Moscow PRAVDA in Russian 4 Jul 87 Second Edition p 3

[TASS report: "Splendid Festival of Peace: Opening of the India Festival in the USSR"]

[Excerpts] [passage omitted] This year-long festival will serve the ideals of peace, good will, and mutual understanding. The routes of the festival, whose march began in Moscow on 3 July, will cross virtually the whole Soviet land. [passage omitted]

Fantastic costumes, makeup, and masks, the skilled movements of dancers and the fierce roar of the drums, the long-drawn-out voice of shells -- the amateur folk ensembles brought the atmosphere of a village street to Luzhniki.

The festivities culminated in the arrival of M.S. Gorbachev and R. Gandhi. The Soviet and Indian leaders and their wives were greeted by the chairmen of the Soviet and Indian festival committees, V.G. Zakharov and P.V. Narasimha Rao.

The following then took their places in the central box together with M.S. Gorbachev and R. Gandhi: V.I. Vorotnikov, A.A. Gromyko, L.N. Zaykov, Ye.K. Ligachev, V.P. Nikonov, N.I. Ryzhkov, N.N. Slyunkov, M.S. Solomentsev, V.M. Chebrikov, E.A. Shevardnadze, A.N. Yakovlev, V.I. Dolgikh, B.N. Yeltsin, N.V. Talyzin, D.T. Yazov, A.P. Biryukova, A.F. Dobrynin, A.I. Lukyanov, V.A. Medvedev, and I.V. Kapitonov. [passage omitted]

PRAVDA CARRIES GORBACHEV CONGRATULATIONS TO KRUNIC

PM011411 Moscow PRAVDA in Russian 1 Jul 87 Second Edition p 1

[Gorbachev congratulations to B. Krunic on election as LCY Central Committee Presidium president]

[Text] To Comrade Bosko Krunic, president of the LCY Central Committee Presidium

Esteemed Comrade Krunic!

I cordially congratulate you on your election as president of the LCY Central Committee Presidium.

Attaching great significance to broadening ties at all levels between the CPSU and the LCY and to enriching them with new substance in keeping with the spirit of the times, we will consistently make our contribution to developing the political dialogue between the leadership of the two parties and countries and to strengthening friendship and equitable, mutually advantageous cooperation between the fraternal peoples of the USSR and the SFRY in the interests of the cause of socialism and peace.

I wish you, the entire Yugoslav leadership, and the SFRY's Communists and working people successes in fulfilling the 13th party congress decisions.

With communist greetings,

M. Gorbachev, general secretary of the CPSU Central Committee.

JARUZELSKI RETURNS FROM TRIP TO JAPAN

Stops Over in Vladivostok

LD021518 Moscow TASS in English 1354 GMT 2 Jul 87

[Text] Vladivostok July 2 TASS -- Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and chairman of Poland's State Council, made a brief stopover in Vladivostok today on his way home from Japan.

Makes Brief Stopover in Moscow

LD032001 Warsaw PAP in English 1815 GMT 3 Jul 87

[Text] Moscow, July 3 -- On his way back from Japan to Poland, President of the Council of State Wojciech Jaruzelski made a short stop-over in Moscow this morning.

The Polish leader and his entourage were welcomed and then bidden farewell at the Moscow airport by Political Bureau Member, CPSU CC Secretary Aleksandr Yakovlev, CPSU CC Secretary Vadim Medvedyev and other officials.

## CSSR-GREEK TALKS ON ARMS LIMITATION REPORTED

LD031803 Moscow Tass in English 1554 GMT 3 Jul 87

[Text] Prague July 3 TASS -- Gustav Husak, general secretary of the Central Committee of the Communist Party of Czechoslovakia and president of the Republic, and Greek Foreign Minister Carolos Papoulias pointed at their meeting here to the need for reaching agreements on limiting and eliminating nuclear and chemical weapons, as well as on reducing armed forces and conventional weapons in Europe.

The sides noted the great importance of establishing zones, free from nuclear and chemical weapons in Europe, including the Balkans, as well as in other regions of the world, which would contribute to stronger peace and growth of confidence between states.

There were negotiations between Bohuslav Chnoupek, Czechoslovak foreign minister, and Carolos Papoulias. They favoured implementation of specific measures on stopping the arms race, above all nuclear weapons. The sides noted the determination of the two countries to promote actively stronger peace in Europe and all over the world.

## PRAVDA NOTES RCP TO HOLD NATIONAL CONFERENCE

PM041836 Moscow PRAVDA in Russian 26 Jun 87 Second Edition p 6

[Tass report: "RCP Central Committee Plenum]

[Text] Bucharest, 25 June -- An RCP Central Committee Plenum has taken place here. It discussed the question of convening an RCP National Conference. It was decided to convene the conference at the beginning of December this year. It will examine the course of implementing the decisions of the 13th RCP Congress and the party's program for the country's socioeconomic development and other questions.

The plenum relieved M. Ghitulica of her duties as secretary of the RCP Central Committee in connection with her transfer to other work.

RCP Secretary General N. Ceausescu spoke at the plenum.

## KAMENTSEV STOPS OVER IN SOFIA AFTER TURKISH VISIT

PM041805 Moscow PRAVDA in Russian 25 Jun 87 Second Edition p 4

[TASS report under general heading: "Soviet Gas to Turkey"]

[Text] On its way home, the delegation headed by V.M. Kamentsev stopped over briefly in Sofia. It had a meeting with A. Lukanov, candidate member of the BCP Central Committee Politburo and first deputy chairman of the Bulgarian Council of Ministers, and K. Zarev, deputy chairman of the Bulgarian Council of Ministers.

FRG PRESIDENT'S VISIT SCHEDULE OUTLINED

LD030944 Moscow TASS in English 0918 GMT 3 July 87

[Text] Moscow July 3 TASS -- Great importance is being attached in the Soviet Union to the forthcoming official visit by President Richard von Weizsaecker of the Federal Republic of Germany on July 6-11.

This was emphasized at a briefing for Soviet and Foreign journalists at the Soviet Foriegn Ministry Press Centre today.

In the opinion of Soviet Foreign Ministry officials who spoke at the briefing, the federal president's meetings with the Soviet leadership would promote political dialogue and business cooperation between the USSR and the FRG in the interests of the peoples of the two countries, in the interests of peace and security in Europe.

Soviet Foreign Ministry Spokesman Yuriy Gremitskikh briefed the journalists on the visit schedule. He said that the general secretary of the CPSU Central Committee would receive the federal president.

A conversation was scheduled with the president of the Presidium of the USSR Supreme Soviet.

The federal foreign minister, he said, would meet with his Soviet counterpart.

"The federal president will have several meetings with representatives of the Soviet public. Visits to cultural and research institutions are on schedule, too.

The president has expressed readiness to meet with the press on July 8. The programme of his visit also comprises trips to Leningrad and Novosibirsk."

GROMYKO, SHEVARDNADZE GREET FRG PRESIDENT

LD060905 Moscow TASS in English 0901 GMT 6 Jul 87

[Text] Moscow July 6 TASS -- Federal President Richard von Weizsaecker of West Germany arrived in Moscow today for an official visit at the invitation of the Presidium of the USSR Supreme Soviet.

At the airport Richard von Weizsaecker and his wife were welcomed by Andrey Gromyko, president of the Presidium of the USSR Supreme Soviet, and his wife, as well as Eduard Shevardnadze, USSR minister of foreign affairs, and other officials.

The FRG president is accompanied by Hans-Dietrich Genscher, deputy federal chancellor and minister of foreign affairs of West Germany.

FRG PAPER CITES EXPLOSION AT U.S. PROVING GROUND

LD051243 Moscow TASS in English 1151 GMT 5 Jul 87

[Text] Bonn July 5 TASS -- The newspaper "EXPRESS" published in Cologne has reported that the June 28 explosion at a proving ground of the U.S. troops stationed in the Federal Republic was caused by secret tests of a new "new liquid superpowerful explosive".

As a result of the explosion, the newspaper recalls, three servicemen were killed and twelve heavily wounded.

"EXPRESS" points out that the texts were conducted in utter secrecy and that the Pentagon did not inform the FRG's Defence Ministry of them.

The newspaper maintains with reference to a high-ranking serviceman that the "new liquid explosive surpasses all the earlier known ones by its technical characteristics."

SPANISH PARTICIPATION IN NATO EXERCISES REPORTED

LD031742 Moscow TASS in English 1630 GMT 3 Jul 87

[Text] Madrid July 3 TASS -- Spain is being increasingly drawn into the military orbit of the aggressive NATO bloc. New evidence of this is provided by the decision of the Defence Ministry to take part in the ocean Safari-87 naval exercises for the first time since Spain's joining of NATO in 1982.

The naval war games will be conducted in the north Atlantic as well as in direct proximity of U.S., Canadian and Norwegian shores. From August 31 to September 18. To take part in them, the Spanish EFE agency writes, are not only large military units but also more than 150 ships, 250 planes and helicopters.

The task of the exercise is to practice concerted actions by NATO fleets against "enemy" submarines and planes in conditions as close as possible to real combat ones.

Along with Spain the exercises include the United States, Canada, France, the FRG, Britain, Holland and Norway.

KAMENTSEV, DELEGATION END VISIT TO TURKEY

LD241251 Moscow TASS in English 1149 GMT 24 Jun 87

[Text] Istanbul June 24 TASS -- A visit to Turkey of a Soviet Government delegation led by Vladimir Kamentsev, deputy chairman of the USSR Council of Ministers and chairman of the State Foreign Economic Commission under the USSR Council of Ministers, has come to a close. The delegation visited Turkey on June 22 through 24 to attend celebrations on the occasion of the beginning of Soviet natural gas deliveries to Turkey.

In the Ataturk Airport of Istanbul the Soviet delegation leaving for home was seen off by Kaya Erdem, deputy prime minister of Turkey, and representatives of local government bodies.

IZVESTIYA CARRIES LAW ON STATE ENTERPRISE

PM021600 Moscow IZVESTIYA in Russian 1 Jul 87 Morning Edition pp 1-4

["USSR Law on State Enterprise (Association)" -- IZVESTIYA headline; passages within slantlines published in boldface]

[Text] This present law, in accordance with the USSR Constitution, lays down the economic and legal foundations for the economic activity of socialist state enterprises (associations), consolidates state (all-people's) ownership of the means of production in industry, construction, the agro-industrial complex, and other sectors, and expands the opportunities for labor collectives to participate in the efficient utilization of this property, in the management of enterprises and associations, and in the resolution of state and social affairs. The law deepens centralized principles in the resolution of the most important tasks concerning the development of the national economy as a unified whole, makes provisions for the intensification of economic methods of management, the utilization of full economic accountability [khozyaystvennyy raschet] and self-financing, the expansion of democratic principles, and the development of self-management, and defines relations between enterprises (associations) and organs of state power and administration.

I. The Enterprise (Association) -- The Basic Link the National Economy [subhead]

/Article 1. The State Enterprise (Association) and Its Tasks/

1. State enterprises (associations), together with their cooperative counterparts, are the basic link of the unified national economic complex. Enterprises (associations) are assigned the main role in developing the country's economic potential and attaining the supreme goal of social production under socialism -- the fullest satisfaction of people's growing material and spiritual needs.

This present law defines the foundations of the organizations and activity and the legal status of state enterprises and associations (hereinafter referred to as enterprises, except when specific features of associations are involved).

2. In a state enterprise the labor collective, acting as steward of the property of the whole people, creates and augments the people's wealth and ensures the combining of the interests of society, the collective, and each worker. The enterprise is a socialist community producer, produces and sell output, and carries out work or renders services according to the plan and contract on the basis of full economic accountability, self-financing, self-management, and the combination of centralized leadership with enterprise independence.

The enterprise carries out its activity in industry, agriculture, construction, transport, communications, science and scientific services, trade, material and technical supply, the services sphere, and other sectors of the national economy. Regardless of its specialization, the enterprise produces consumer goods and provides paid services to the population. It may engage simultaneously in several types of activity (agrarian and industrial, trade and industrial, industrial and construction, science and production, and others).

The enterprise is a corporate body, enjoys rights and performs duties associated with its activity, has a separately assigned part of the property of the whole people, and keeps independent accounts.

3. The main task of an enterprise is to satisfy in every way the social needs of the national economy and the needs of citizens for its output (work, services) with high consumer standards and quality while incurring minimum expenditure, to increase its contribution to the acceleration of the country's socioeconomic development, and, on this basis, to ensure greater prosperity for its collective and its members.

Consumer demands are mandatory for the enterprise, and their complete and prompt satisfaction is the supreme point and criterion of each labor collective's activity.

To implement its main task, the enterprise ensures:

the development and growth of efficiency of production, its all-around intensification, the acceleration of scientific and technical progress, the growth of labor productivity, the saving of resources, and profit (revenue) growth;

the collective's social development, the formation of a modern material base for the social sphere, the creation of favorable opportunities for highly productive labor, the consistent implementation of the principle of distribution according to labor and social justice, and the preservation and improvement of man's natural environment;

the labor collective's self-management, which creates in each worker a profound personal interest in the thrifty utilization of the property of the whole people and his organic involvement in affairs of the collective and the state.

/Article 2. Principles of the Enterprise's Activity/

1. The enterprise's activity is organized on the basis of the state plan for economic and social development as the most important tool for implementing the economic policy of the Communist Party and the Soviet state. Guided by control figures, state orders, and long-term scientifically substantiated economic normatives and quotas, and also by consumer orders, the enterprise independently elaborates and ratifies its plans and concludes contracts.

2. The enterprise operates on the principles of full economic accountability and self-financing. The enterprise's production, social activity, and wage payments are financed from funds earned by the labor collective. The enterprise recoups its material expenditures from receipts earned from the sale of its output (work, services). Profits or revenues are the overall indicator of the enterprise's economic activity. Part of the profits (revenues) must be used by the enterprise to meet its obligations to the budget, banks, and superior organs. The remainder is completely at its disposal and, together with the wage payment fund, constitutes the collective's economically accountable revenue, which is the source enabling the enterprise to function.

3. The enterprise's activity under conditions of full economic accountability and self-financing is implemented in line with the principle of socialist self-management. The labor collective, being the plenipotentiary master of the enterprise, independently resolves all questions concerning production and social development. Achievements and losses in the enterprise's work have a direct effect on the level of the collective's economically accountable revenues and on each worker's prosperity.

4. Enterprises operate in conditions of economic competition, which is a most important form of socialist competition, to most fully satisfy consumer demands for efficient, high-quality, and competitive output (work, services) for the least possible expenditure. An enterprise ensuring the production and sale of the best output (work, services) with the lowest cost earns more economically accountable revenue and advantages in its production and social development and in the labor remuneration of workers.

The state uses planning and widely applies competitive design and production, financial and credit levers, and prices to ensure the development in every possible way of economic competition between enterprises, limiting their monopoly position as producers of a certain type of output (work, services).

5. The enterprise operates on the basis of socialist legality. Under the conditions of full economic accountability and self-financing it is endowed with broad rights whose observance is guaranteed by the state. In the interests of implementing the tasks and powers laid down by the present law, the enterprise is entitled to make any decisions on its own initiative, provided they do not run counter to existing legislation.

The enterprise is entirely and fully responsible for observing the interests of the state and the rights of citizens, safeguarding and augmenting socialist property, fulfilling the obligations it has adopted, and ensuring the level of profitability necessary for work in conditions of full economic accountability and self-financing, and strengthens state, production, and labor discipline.

The enterprise's activity must not disrupt the normal working conditions of other enterprises and organizations or worsen citizens' living conditions.

6. The state is not responsible for the enterprise's liabilities. The enterprise is not responsible for the liabilities of the state or of other enterprises, organizations, or institutions.

/Article 3. The Collective's Economically Accountable Revenue, Its Distribution, and Its Utilization/

1. The collective's economically accountable revenue is the source of the enterprise's production and social development and labor remuneration, is at the enterprise's disposal, is used independently, and is not liable to appropriation.

With the permission of its superior organ, the enterprise can use the following forms of economic accountability:

Based on the normative distribution of profit. Payments to the budget and the superior organ and interest payments on credit are made from profits. The residual profit left after these payments is at the labor collective's disposal. The following funds are formed from the residual profit on the basis of normatives: the production, science, and technology development fund; the social development fund; the material incentives fund or other funds for similar purposes. The wages fund can be formed on the basis of a normative relating to net output or other measures of output. In this instance, the collective's economically accountable revenue is comprised of the wages fund and the residual profits;

based on the normative distribution of the revenue obtained after covering material expenditure from receipts. Payments to the budget and interest payments on credit are made from the revenue, after which the collective's economically accountable revenue is formed. An integrated labor remuneration fund is formed as the residue of the collective's economically accountable revenue after the following funds have been formed: production, science, and technology development fund; social development fund or other funds for similar purposes determined on the basis of normatives relating to economically accountable revenue.

The enterprise can form a financial reserve fund and a foreign currency payments fund.

2. The wages fund is used by the enterprise to provide labor remuneration to personnel according to their labor input.

The material incentives fund is used to make payments in respect of bonuses, rewards, and other forms of labor incentives, and to provide material assistance.

Instead of a wages fund and a material incentives fund, the enterprise can form a labor remuneration fund, which is the single source for all payments made to workers in respect of the results of their labor.

3. The production, science, and technology development fund is used by the enterprise to finance scientific research and experimental design work, to renew and expand fixed capital on a modern technological basis, to increase its own circulating capital, and for other production development purposes.

The enterprise makes independent use of the depreciation allowances channeled on the basis of the established normative into the production, science, and technology development fund or other fund for similar purposes.

4. The social development fund is used by the labor collective for housing construction, for strengthening in every possible way of the material and technical base of the social and cultural sphere, the upkeep of facilities in this sphere, the implementation of health service and mass culture measures, and the satisfaction of other social needs.

5. With the consent of the labor collective, the enterprise has the right to channel into the social development fund some of the resources from the material incentives fund (labor remuneration fund) and, for purposes of housing construction, some of the resources from the production, science, and technology development fund within limits prescribed by legislation.

6. The enterprise forms on the basis of a normative linked to [za schet] the prime cost of output (work, services), a repair fund whose resources are used to carry out all types of repair of fixed capital.

/Article 4. The Enterprise's Material and Technical Base and Resources/

1. The enterprise's material and technical base and resources, in other words its property, is composed of fixed and circulating capital and also other material assets and financial resources. The enterprise exercises the rights to control, use, and dispose of this property.

It is incumbent upon the enterprise to constantly ensure the reproduction of the material and technical base on an advanced basis and to make efficient use of production capacities and fixed capital.

2. With a view toward achieving a full return on production potential, the enterprise insitutes a two-shift work system, or, in cases involving custom-made and expensive equipment and whenever necessary because of production conditions, a three- or four-shift work system. The adoption of a different work system by an enterprise is allowed subject to permission by its superior organ, coordinated with the local soviet ispolkom and the relevant trade union organs.

3 The enterprise's circulating capital is completely at its disposal and is not liable to appropriation. Any shortages of circulating capital are recouped from the collective's economically accountable revenues, while any increases are funded from its own resources. It is incumbent upon the enterprise to ensure the rational utilization of circulating funds and the acceleration of their turnover.

4. The enterprise has the right:

to transfer to other enterprises and organizations, to sell, exchange, lease, supply for free temporary use, or lend any premises, installations, equipment, means of transportation, stocks, raw materials, and other material assets, and also to write them off if they are worn out or obsolete;

to transfer material and financial resources, including amounts from the economic incentives fund subject to the labor collective's agreement, to other enterprises and organizations carrying out work or services for the enterprise.

Earnings from any sale of unused property and payments of rent (unless the rental of property is the enterprise's basic activity) in the aforementioned instances are channeled into the producion, science, and technology development fund, while any losses arising through transfers to other enterprises and organizations or as the result of selling or writing off property are covered by the enterprise from its corresponding economic incentives funds.

II. Management of the Enterprise (Association) and Self-management by the Labor Collective [subhead]

/Article 5. Structure of the Association and Enterprise/

1. Associations and independent enterprises operating within the national economy's sectors differ according to the objectives and tasks of their economic activity and the specific features of their management structure and organization. The basic types of associations are production associations and science-and-production associations. Regardless of the territorial location of its structural units and component independent enterprises, an association functions as a unified production and economic complex and ensures the organic combination of the interests of the development of sectors and territories. It implements its activity on the basis of a unified plan and accounts.

The enterprise or association sets up its own servicing and trade outlets, establishing appropriate subdivisions whenever necessary.

2. A production association is created to produce particular types of output (work, services) on the basis of more efficient utilization of scientific and technical potential, developed product specialization, production sharing, and production integration [kombinirovaniye]. It consists of structural units engaging in industrial, construction, transportation, trade, and other activities. An association may also include scientific research, design planning, and technological organizations and other structural units.

3. A science-and-production association is created to ensure the speediest development and production of highly efficient sets of machinery, equipment, instruments, technological processes, and materials determining scientific and technical progress along relevant avenues of great national economic importance. It is established on the basis of scientific research (design planning, technological) organizations or enterprises (production associations) possessing a developed design and experimental base and functions as an integrated science and production complex.

4. An enterprise consists of subdivisions operating on the principles of internal economic accountability or collective contracts: production units, shops, departments, sections, livestock units, teams, links, bureau, laboratories, and so on.

Part of the material incentives fund and the social development fund may be allocated by procedures laid down by the enterprise to its subdivisions, the amounts of such allocations depending on the results of these subdivisions' activity.

5. An association's structural units operate on principles of economic accountability and, in accordance with the statutes regarding them laid down by the association, consist of subdivisions. A structural unit may keep its own accounts and may maintain its own bank accounts.

The association allocates any necessary fixed and circulating capital to its structural units and lays down procedures governing internal economic relations and the solution of disputes between structural units, as well as their liability of nonfulfillment of their obligations.

Within the limits of the rights vested in it by law and by the association, the structural unit has control of [rasporyazhayetsya] the property allocated to it and concludes economic contracts with other organizations on behalf of the association.

The association may grant a structural unit the right to conclude economic contracts on behalf of the structural unit and to be liable under such contracts to the extent of the property allocated to it. In the event of such property being insufficient, responsibility for the structural unit's liabilities is borne by the association.

The structural unit forms material incentives funds and social development funds under procedures laid down by the association and depending on the results of its activity. Resources in these funds cannot be appropriated by the association without the agreement of the structural unit's labor collective. The association has the right to place at the disposal of the structural unit part of the production, science, and technology development fund and other funds.

6. The association's structure is approved by its superior organ, the structure of the association's structural units by the association, and the structure of the enterprise and its subdivisions by the enterprise.

The management of the association is usually carried out by the leader and the administration of the association's parent [golovnoy] structural unit (parent enterprise) and is basically organized according to a two-tier system involving direct subordination to the ministry, state committee, or department.

The association may include independent enterprises endowed with rights under this present law. In leading such enterprises, the association exercises the functions of a superior organ and has the right to fully or partially centralize their performance of individual production and economic functions. Here the enterprises' resources required to perform the aforementioned functions may be centralized with their consent.

To further increase the level of production concentration, enterprises, associations, and organizations can become part of large organizational structures -- state production associations. The enterprises, associations, and organizations that are members of the aforementioned associations retain their economic independence and operate in accordance with the present law.

/Article 6. Management of the Enterprise/

1. The management of the enterprise is effected on the basis of the principle of democratic centralism and of combining centralized leadership and the labor collective's socialist self-management.

Socialist self-management is implemented in conditions of broad openness through participation by the entire collective and its public organizations in the elaboration of the most important decisions and the monitoring of their execution, election of leaders, and one-man control in the management of the enterprise. Self-management forms the basis for ensuring the pooling of working people's efforts and the development of their initiative with a view to achieving high work results, inculcating organization and discipline in workers, and boosting their political awareness.

The enterprise's party organization, being the collective's political nucleus, operates within the framework of the USSR Constitution, guides the work of the entire collective, its self-management organs, and the trade union, Komsomol, and other public organizations, and monitors the administration's activity.

Socieconomic decisions concerning the enterprise's activity are made by the leader with the participation of the labor collective and the party and trade union, Komsomol, and other public organizations operating within it in accordance with those organizations' statutes and with legislation.

2. Enterprise leaders are elected (as a rule on a competitive basis), thus ensuring an improvement in the quality of leadership cadres and an increase in their responsibility for the results of activity. The elective principle is applied to leaders of enterprises, structural units of associations, production units, shops, departments, sections, livestock units, and links, as well as to foremen and team leaders.

3. The leader of an enterprise or an association's structural unit expresses the interests of the state and the labor collective. He is elected at a general meeting (conference) of the labor collective by secret or open ballot (at the discretion of the meeting or conference) for a 5-year term, and his election is confirmed by the superior organ. [paragraph continues]

If the candidate elected by the labor collective is not approved by the superior organ, new elections are held. In this case, the superior organ must explain to the labor collective its reasons for refusing to approve the results of the election.

The leader of an enterprise or an association's structural unit may be removed from office early by the superior organ on the basis of the decision of a general meeting (conference) of the labor collective or, if so empowered by the collective, of the labor collective's council.

The leader of a parent structural unit (parent enterprise) elected by the labor collective is confirmed in office as association leader by the superior organ. If the association is managed by a separate apparatus, the association leader is elected at a conference of representatives of the labor collectives of its structural units and enterprises. The procedure for the early removal from office of an association leader is the same.

Leaders of subdivisions -- production units, shops, departments, sections, livestock units, and links -- as well as foremen and team leaders, are elected by the corresponding collectives by secret or open ballot, for a term of up to 5 years, their election is confirmed by the enterprise leader. The aforementioned leaders may be removed from office early by the enterprise leader on the basis of the decision of the corresponding subdivision's collective.

The leaders of enterprises, association structural units, and subdivisions, and also foremen and team leaders removed from office before the expiry of their term can be reelected or assigned to other work according to the procedure laid down by legislation regarding persons removed from elective office.

The deputy leaders and leaders of the enterprise legal and bookeeping services and quality control service are appointed and removed from office by the enterprise leader according to established procedure.

4. The one-man command principle within the system of self-management at enterprises is exercised by the leader of the enterprise and the leaders of association structural units and subdivisions.

The enterprise leader (general director, director, chief, or manager) leads all the enterprise's activity and organizes its work. He is responsible for the results of the enterprise's work to the state and the labor collective.

The enterprise leader acts on his own authority [bez doverennosti] on behalf of the enterprise, represents it at all enterprises and in institutions and organizations, disposes of the enterprise's property, concludes contracts, issues powers of attorney, and opens current and other accounts for the enterprise at banks.

Within the limits of the enterprise's competence, its leader issues orders and instructions binding on all enterprise personnel. The decisions of the leaders of structural units and subdivisions, foremen, and team leaders are binding on all the personnel subordinate to them.

5. The general meeting (conference) is the main form for exercising the labor collective's powers.

The labor collective general meeting (conference):

elects the enterprise leader and the labor collective's council and hears reports on their activity;

examines and ratifies plans for the enterprise's economic and social development and defines ways to increase labor produtivity and profits (revenues), enhance production efficiency and output quality, safeguard and augment the property of the whole people, and consolidate the material and technical base of production as the foundation of the collective's activity;

approves the collective contract and empowers the trade union committee to sign it with the enterprise administration on behalf of the labor collective; adopts socialist pledges; approves rules governing internal labor procedures at the representation of the administration and the trade union committee;

examines other most important questions concerning the enterprise's activity.

6. The meeting (conference) of the enterprise's labor collective is convened by the labor collective council as and when necessary, but at least twice yearly. Questions to be examined by the meeting (conference) are submitted on the initiative of the labor collective council, the administration, party, trade union, Komsomol, and other public organizations, people's control organs, individual members of the collective, and also the superior organ.

/Article 7. The Enterprise's Labor Collective Council/

1. During the period between meetings (conferences), the powers of the labor collective are exercised by the labor collective council of the enterprise (association structural unit). The council's focuses its main attention on developing the working people's initiative and enhancing each worker's contribution to the common cause, and implements measures to achieve high end results from the enterprise's activity and earn the collective's economically accountable revenue.

The labor collective council:

monitors the execution of decisions by the labor collective's general meetings (conferences) and the implementation of critical remarks and suggestions from workers and employees, and briefs the labor collective on their execution;

hears reports from the administration on progress in the fulfillment of plans and contractual commitments and on results of production and economic activity, and plans measures to ensure more efficient work by the enterprise and observance of the principle of social justice;

jointly with the elected organs of party, trade union, and Komsomol organizations, approves conditions for socialist competition and summarizes its results;

resolves questions concerned with improving the enterprise's management and its organizational structure and ensures workers' wages correspond to their personal contribution and social benefits are distributed fairly;

makes decisions on the use of production, science, and technology development funds, material incentives funds, and social development funds and on the allocation of funds to the construction of housing, children's institutions, and dining rooms and the improvement of working conditions, labor safety, and medical, consumer service, and cultural services for workers and employees, and resolves other questions of the collective's social development.

resolves questions concerning the training and skill enhancement of cadres and the observance of rules of internal procedure and of state, production, and labor discipline at enterprises, and plans meansures to strengthen it;

monitors the granting of benefits and advantages to innovators, production front-rankers, and war and labor veterans chargeable to the material incentives fund and the social development fund;

hears reports from representatives of subdivision collectives, submits proposals on applying moral and material incentive measures for successes in labor, and examines questions of submitting workers for state awards;

resolves questions of electing the collective councils of production units, shops, departments, sections, and other subdivisions and determines their rights within the limits of the powers of the labor collective council of the enterprise (association structural unit);

resolves other questions of production and social development, unless these relate to the competence of the labor collective meeting (conference).

The labor collective council works in close contact with the administration and with the party, trade union, Komsomol, and other public organizations.

2. The labor collective council's decisions, made within the limits of its powers and in accordance with legislation, are mandatory for the administration and members of the collective.

In the event the enterprise administration disagrees with the labor collective council, the question is resolved at a general meeting (conference) of the labor collective.

3. The labor collective council is elected by a general meeting (conference) of the collective of the enterprise (association structural unit) by secret or open ballot for a 2-3 year term. Workers, team leaders, foremen, specialists, and representatives of the administration and of party, trade union, Komsomol, and other public organizations may be elected to the council. The size of the council is determined by the general meeting (conference) of the labor collective. Representatives of the administration must constitute no more than one-fourth of the total membership of the labor collective council. As a rule, at least one-third of the council's membership should be renewed at each regular election.

The labor collective council elects from among its members a chairman, deputy chairmen, and secretary of the council. Council sessions are held as and when necessary, but at least once every quarter. Members of the labor collective council perform their duties on a voluntary basis.

A member of the labor collective council cannot be dismissed or otherwise disciplined without the consent of the labor collective council.

A council member who has failed to vindicate the collective's trust can be removed from the council by decision of the labor collective general meeting (conference).

The enterprise's administration creates the conditions necessary for efficient activity by the labor collective council.

/Article 8. The Enterprise's Cadres/

1. Work on the selection, placement, and education of cadres at the enterprise is done by the administration and the party organization with the active participation of the labor collective council and the trade union, Komsomol, and other public organizations.

The enterprise molds a stable labor collective capable of achieving high end results under conditions of full economic accountability and self-financing and on the basis of the principles of self-management. It ensures that cadres can meet the growing demands of modern production, develops workers' professionalism and responsibility for resolving the enterprise's tasks, educates cadres in the best labor traditions and in a spirit of pride in their collective, and enhances their interest in the highest possible labor productivity; it aims to ensure that each worker values his job.

2. The enterprise displays constant concern for the steady growth of the professional skill and the political, general educational, and cultural standards of cadres and for the transfer of workers in light of their skills and production interests. For this purpose, the enterprise conducts the training and retraining of cadres, organically combining vocational training with economic training, ensures the improvement of workers' skills on the job and at educational establishments, strengthens training facilities, organizes training combines, courses, and centers and schools for the study of advanced working methods, and develops the mentor system.

The enterprise creates the conditions necessary to combine training with work and grants benefits envisaged by current legislation. Subject to workers' agreement, they may be sent by the enterprise to study at secondary specialized or higher educational establishments, or for postgraduate studies with payment of study grants. The enterprise pays prescribed amounts for the training of specalists for it in higher educational establishments and for the improvement of workers' skills.

The enterprise assists educational establishments in preparing young people for labor and cultivating vocational interests.

3. The enterprise's leadership cadres must possess high professional, political, and moral qualities and socialist initiative and principledness and must be capable of creating a cohesive collective and of ensuring the labor collective's interests are combined with the interests of the whole people. A modern leader needs high standards of professionalism, a knowledge of the fundamentals of the science of management, and economic thinking enabling him to look ahead and be an efficient economic manager.

The enterprise creates a reserve of leadership cadres and conducts constant work with it.

4. With a view to improving the selection, placement, and training of cadres, improving their professional skill and quality and efficiency of work, and ensuring a closer link between wages and the results of labor, the enterprise must conduct certification of leading workers and specialists.

On the basis of the results of certification, the enterprise leader makes decisions on the promotion or demotion of workers in terms of their job title or their skill grade, on salary increases or decreases, on the institution, amendment, or cancellation of salary supplements, and on their promotion to higher office or removal from office. If, on the basis of the results of certification, subdivision leaders elected by collectives are deemed not to meet the requirements of their post, they can be removed from office on the basis of a decision by the subdivision collective.

/Article 9. Relations Between the Enterprise and Its Superior Organ and Local Soviet of People's Deputies/

1. Relations between the enterprise and its superior organ (ministry, state committee, department, or other superior organ) are organized on the basis of planned management and observance of the principles of full economic accountability, self-financing, and self-management at the enterprise.

All organs of state power and management must contribute in every possible way to developing the economic independence, initiative, and socialist resourcefulness of enterprises and their labor collectives.

Leadership of the enterprise is effected primarily by economic methods on the basis of control figures, state orders, and long-term economic normatives and quotas. The list of control figures, economic normatives, and quotas laid down for the enterprise is ratified by the USSR Council of Ministers. The superior organ has no right to communicate to the enterprise control figures, economic normatives, and quotas outside the ratified list. The composition of the state order is ratified by the USSR Gosplan and the USSR ministry (department). For enterprises under republican ministries and departments, and also for consumer goods and paid services (except for state orders from the USSR Gosplan and USSR ministries and department), the composition of the state order is ratified by the union republic Council of Ministers. The basic data for planning purposes laid down for the enterprise must be strictly interlinked.

The enterprise is guided by the demands of the integrated technical policy pursued in the sector by the ministry or department and receives help from it in training and retraining cadres and assistance in implementing foreign economic relations.

It is incumbent upon the superior organ to ensure, through its entire activity, conditions for the enterprise's efficient work, to strictly observe the enterprise's rights, to promote their full realization, not to interfere in its operational economic activity, and to inform the enterprise labor collective about its own activity.

The superior organ counters monopolistic tendencies on the part of individual enterprises, implementing to this end measures to overcome the inflation of prime cost and prices, stagnation in the technical development of production, and the artificial restriction of the production and sale of output in demand among consumers.

2. In accordance with the established normative, the enterprise remits to the superior organ part of its profits (revenue) for the formation of centralized funds and reserves. The superior organ may charge to these funds and reserves any resources allocated to the enterprise for the implementation of measures necessary for the sector's development.

3. It is incumbent upon the superior organ to monitor the enterprise's activity, compliance with the law, and the safeguarding of socialist property. The superior organ conducts a comprehensive audit of the enterprise's production and financial-economic activity not more than once a year, involving all interested organizations.

The ministry, department, or other superior organ may give the enterprise instructions only in accordance with the powers vested in it by law. If a ministry, department, or other superior organ issues an act that is not in accordance with its powers or violates the demands of the law, the enterprise is entitled to petition the State Board of Arbitration to deem that act totally or partially invalid.

Any losses suffered by the enterprise as a result of obeying orders issued by a superior organ in breach of the enterprise's rights and also as a result of the improper discharge by the superior organ of its duties in relation to the enterprise, are reimbursable by that organ. Disputes on the question of reimbursement of losses are resolved by the State Board of Arbitration.

4. The enterprise actively participates in the work done by the soviet of people's deputies in accordance with the law to ensure the territory's comprehensive social and economic development and the better satisfaction of the population's needs, and in the forming of the local budget on the basis of established normatives.

The enterprise interacts with the soviet of people's deputies in its work to seek out and bring into operation reserves to accelerate the development and enhance the efficiency of production. Some of the funds saved by enterprises through the implementation of measures organized by soviets to utilize reserves for the growth of production and the saving of resources are placed at the disposal of the Councils of Ministers of union republics (not subdivided into oblasts) or autonomous republics or of local soviet ispolkoms to be used for the economic and social development of the corresponding territories.

The enterprise coordinates with the relevant union republic (not subdivided into oblasts) or autonomous republic Council of Ministers or with the local soviet ispolkom technical and economic feasibility studies and estimates for the construction of projects and itemized lists of construction projects for the established indicators.

Local soviets of people's deputies promote the efficient activity of enterprises located in their territory and take measures to create for their workers a favorable system of services from trade, public catering, and consumer services organizations, health services, culture, urban transport, and convenient opening hours in children's institutions.

5. Any work done or services rendered by the enterprise on the orders of the superior organ or by decision of the soviet of people's deputies and not contained in the plan are carried out on the basis of economic contracts, with expenditure being reimbursed by the enterprises or organizations for which they were carried out (except for work to eliminate the consequences of natural disasters and accidents).

III. Production and Social Activity by the Enterprise [subhead]

/Article 10. Planning/

1. The planning of the enterprise's activity is effected in line with the principle of democratic centralism on a scientific basis and with broad participation by the labor collective in the elaboration and discussion of plans. It proceeds from the need to satisfy consumers' growing needs and demands for high quality output (work, services) with the least possible expenditure, and to ensure the growth of the collective's economically accountable revenue as the main source for the self-financing of its production and social development and labor remuneration.

2. The enterprise elaborates prospects for its production and social development on the basis of the sector's long-term tasks and in light of the plans for the comprehensive development of the territory. It plans measures to expand production and raise its technical standard, to renew output and improve its quality in line with the demands of the domestic and world markets, to make the fullest use of scientific and technical achievements, and to actively participate in statewide, sectorial, and scientific and technical programs and in joint programs with CEMA countries.

3. The 5-year plan for economic and social development (with targets distributed between years) is the main form for planning and organizing enterprises' activity. The enterprise independently formulates and ratifies the 5-year plan. It uses the basic planning data as the basis for formulating the 5-year plan: control figures, state orders, long-term economic normatives and quotas, and direct orders for output (work, services) from consumers and material and technical supply organs.

In this, the enterprise proceeds on the following basis:

Control figures reflect social needs for the output produced by the enterprise and minimum levels of production efficiency. They are not directive in nature and must not fetter the labor collective in elaborating the plan but must leave it broad scope for choosing decisions and partners when concluding economic contracts. The control figures include an indicator of output (work, services) production expressed in terms of value (book value) [raschetno] for the conclusion of contracts, profit (revenue), foreign currency receipts, the most important general indicators of scientific and technical progress, and indicators for the development of the social sphere. During the period when the new economic mechanism is being assimilated and the switch to full economic accountability, self-capitalization, and self-financing is being completed, the control figures may also include labor productivity and output materials-intensiveness indicators;

State orders guarantee the satisfaction of primary social needs and are issued to enterprises for the commissioning of production capacities and projects in the social sphere funded from state centralized capital investments, and also for the delivery of certain types of output needed primarily to resolve statewide, social tasks, fulfill scientific and technical programs, strengthen defense capability, ensure the country's economic independence, and for deliveries of agricultural output. State orders are issued to the enterprise by the superior organ and may be placed on a competitive basis; their inclusion in the plan is mandatory. Provision must be made for mutual responsibility of the parties -- executant and client -- when state orders are issued.

Long-term economic normatives are stable throughout the 5-year plan and ensure the close linkage of statewide interests with the enterprise's economically accountable interests and workers' interest. [paragraph continues]

Economic normatives determine relations with the budget, the formation of the labor remuneration fund and the economic incentives funds, and other aspects of the enterprise's economic activity, and are established with due regard for regional features.

Quotas establish the maximum size of state centralized capital investments for the development of intersectorial production units, new construction, and the resolution of especially important tasks in accordance with the list of enterprises and projects included in the state plan, and of the volumes of construction and installation and contract work and centrally allocated material resources to meet the needs of production and construction.

4. Annual plans are independently elaborated and ratified by the enterprise on the basis of its 5-year plan and the economic contracts it has concluded. Here the enterprise plans the production of output (work, services) and other economic and social development indicators, concretizing the 5-year plan targets; with the appropriate organizations and enterprises, it resolves questions of the material and technical provision of resources and contract construction and installation work. In the course of the elaboration of plans the ministry, department, or other superior organ in conjunction with enterprises ensures that the plans' proposals are comprehensively coordinated.

Contracts for the production and delivery of consumer goods are concluded as a result of the free sale of articles at wholesale fairs which provide a base for planning the range and improving the quality of goods and the indicators which determine the enterprise's production and social development.

5. In the course of the elaboration of the 5-year plan, the enterprise provides for the full utilization of production capacities, employs progressive scientifically substantiated norms for labor expenditures and consumption of raw and other materials, energy, and fuel, replaces materials and articles that are in short supply, extensively brings secondary resources into economic circulation, and seeks to reduce production costs and increase profits.

The enterprise must strictly observe plan discipline and fulfill plans and contractual commitments.

6. Enterprises under all-union (republican) jurisdiction must coordinate their draft plans with the Council of Ministers of the relevant union (not subdivided into oblasts) or autonomous republic or local soviet ispolkom regarding questions of development of the social sphere, services to the population, consumer goods production, construction, number of personnel, the utilization of manpower resources, local types of raw and other materials, and secondary resources, nature conservation, and the use of land, water, and forests. The enterprise's draft plans take into account measures to implement voters' instructions adopted for execution.

/Article 11. Scientific and Technical Progress and Improvement of Quality/

1. The enterprise's activity in scientific and technical progress must be subordinated to the constant enhancement of the technical standard and organization of production, the improvement of technological processes, the production of top quality output able to compete in the world market, its prompt renewal, and the fullest satisfaction of consumers' needs and demands. The enterprise develops the production of specialized technological equipment. Scientific and technical development projects are carried out by the enterprise using its own resources and by scientific and design organizations enlisted for the purpose.

The quality of output, work, and services is the determining factor in the social evaluation of the results of each labor collective's activity. Concern for the honor of their enterprise's trade name must be a matter of professional and patriotic pride for workers, engineers, designers, and leaders.

2. The extensive, comprehensive, and prompt application of the achievements of science and technology and the manufacture of efficient and high-quality output constitute a most important way to boost an enterprise's profits (revenues) and the self-financing of its production and social development. The enterprise sells at higher prices output whose specifications meet or are superior to the best world standards. If it produces obsolete articles or poor quality output, the enterprise meets the cost of discounts on wholesale prices and sustains material liability and nonrecoupable losses in the collective's economically accountable revenue, wages, and social benefits.

3. It is incumbent upon the enterprise to ensure technological discipline, standards, and technical conditions are rigorously adhered to and the equipment it produces is reliable, dependable, and safe. It implements output (work, services) quality control, strengthens its own quality control services, assists the work of the state acceptance service, and organizes repairs during and after the guarantee period, and also factory [firmennyy] servicing of the output it produces.

4. With a view to accelerating scientific and technical developments and raising the level of integration between science and production, the production association or enterprise:

Ensures priority development of its own scientific research and experimental base; may create scientific and technical and design planning subdivisions and staff them with cadres of scientific workers and specialists;

Establishes stable direct ties with scientific research, design planning, and technological organizations;

Concludes on an economically accountable basis, contracts to conduct research and development with scientific institutions, higher educational establishments, organizations of scientific and technical societies, inventors and rationalizers, and other enterprises regardless of their department.

5. It is incumbent upon science-and-production associations to take a leading position in the creation and broad application in production of new generations of highly efficient equipment, technological processes, and materials. They are responsible for the scientific and technical standard of the output (work, services) produced for the national economy within their specialized sphers.

It is incumbent upon scientific research, design planning, and technological organizations to ensure high standards of research and development incorporating long-term demands regarding the quality of output, work, or services, to develop products meeting the highest world standards and adhanced basic and fundamentally new technologies, and to actively promote their broad application in the national economy. If developments whose basic indicators fail to meet the highest world standards are handed over to production, the aforementioned organizations are held materially responsible and their leaders and development staff are liable to disciplinary proceedings and suffer losses in wages and material incentives.

6. Enterprises, production associations, science-and-production associations, and scientific organizations must make broad use in their activity of various forms of scientific and technical competitiveness [sostyazyatelnost] and establish an atmosphere of creativity within labor collectives. Competitions are held, parallel design and planning work is conducted, and temporary scientific collectives are established to select the most efficient solution to a scientific or technical problem and develop the initiative of scientists, specialists, and workers. The development of most important national economic output is conducted, as a rule, on a competitive [konkursnaya] basis. Enterprises, associations, or organizations which have been successful as a result of scientific and technical competitiveness or have won a competition are given priority in material and moral incentives and increase their profit (revenues).

Intersectorial science and technology complexes pool the efforts of enterprises and coordinate their research, experimental design, and technological work along the main avenues of scientific and technical progress and their work on making experimental models and see them through to series production.

7. The enterprise seeks to involve all members of the labor collective in resolving the tasks of accelerating scientific and technical progress and raising output quality, the level of organization, and the standard of production and encourages working people's scientific and technical creativity in every way. It organizes work on inventions and rationalization at the enterprise, exchanges of experience, and reviews; sets up quality groups and applies other forms of creative participation by working people in the improvement of quality; and ensures the safeguarding of technological, patent, and license information.

/Article 12. Retooling and Reconstruction/

1. It is incumbent upon enterprises to make efficient use of production potential, increase the equipment shift index, constantly renew equipment on an advanced technical and technological basis, and strive for all possible labor productivity growth. The enterprise formulates a program for the uninterrupted modernization of its material and technical base and concentrates efforts and resources on the retooling and reconstruction of production on the basis of advanced projects.

2. Retooling, reconstruction, and expansion carried out by the enterprise are financed from the production, science, and technology development fund, other similar funds, or bank credits, and are backed up on a priority basis with the necessary resources and contractual work.

In special cases, the enterprise is allocated centralized financial resources to effect large-scale measures for the reconstruction and expansion of existing production units and for the construction of projects for social purposes. The list of relevant enterprises and projects is ratified in the state plan.

3. The enterprise has the right:

to elaborate, using its own resources or on a contractual basis, planning estimates for work on the retooling, reconstruction, and expansion of existing production units or for the construction of projects for nonproduction purposes;

to approve planning estimates and itemized lists for projects for production or nonproduction purposes whose construction is financed either from the collective's economically accountable revenue or from bank credits.

to approve, in agreement with contractors, production schedules for construction and installation work;

Not to accept obsolete projects from the developers of design documentation.

4. The enterprise conducts the retooling, reconstruction, and expansion of existing production units by rationally combining the own-resources method and the contractual method of construction. It ensures adherence to normative construction schedules and norms for the assimilation of production capacities and the recouping of investment.

The enterprise concludes a contract for the entire period of construction for construction and installation work to be done by the contractual method.

The contracting enterprise ensures, together with the client enterprise and subcontracting organizations, the commissioning of construction projects within the set time and bears responsibility for the quality of work.

/Article 13. The Labor Collective's Social Development/

1. A most important avenue of an enterprise's activity must be the pursuit of an active social policy as a powerful means to enance production efficiency, boost the labor and socipolitical activeness of its workers, instill collectivism in them, and affirm the socialist way of life. It is incumbent upon the enterprise to show concern for improving the working and living conditions and for satisfying the interests and needs of its workers, their families, and the labor and war veterans.

The enterprise's labor collective and each of its workers earns funds for social development through their highly productive labor. The extent to which the collective's needs for social benefits can be satisfied is determined by the end results of the enterprise's work and the collective's economically accountable revenue. Questions of social development are resolved by the labor collective.

The enterprise conducts its social activity in close collaboration with the local soviet of people's deputies.

2. It is incumbent upon the enterprise to give paramount importance to the activation of the human factor, the improvement of working conditions, the intensification of the creative content of labor, and the gradual transformation of labor into a paramount necessity of life. For this purpose, the enterprise:

seeks to sharply reduce and, in the long term, eliminate hard physical, monotonous, and unskilled labor;

applies technological production processes that meet the requirements of sanitary norms and safety standards and are safe for workers and the population and ensures the prevention of malfunctions and accidents and the elimination of industrial injuries;

broadly introduces automation and mechanization, improves workplace organization, and enhances labor organization;

creates the most favorable conditions for women's labor;

renders comprehensive assistance to young people in improving their vocational training and general educational and cultural standards.

3. To provide workers with actual, favorable social conditions at work, the enterprise:

organizes public catering, provides hot meals for all workers, whenever necessary uses money from the social development fund to reduce the cost of catering in its dining rooms and snack bars, and actively develops its own subsidiary agriculture;

improves medical services for workers, aims to reduce the incidence of illness by ensuring a comprehensive approach toward preventive and curative treatment, supplies free premises for use by health service institutions, and expands and consolidates the curative and preventive base;

actively develops various paid services, aiming for the fullest satisfaction of workers' requirements, and assists in the rational utilization of their free time.

4. For the purpose of the accelerated development of the social sphere's material base and the creation of conditions for a healthy life and leisure for workers and their families, the enterprise:

channels the bulk of money from its social development fund into the construction of housing, children's institutions, and other projects for social purposes;

seeks to supply, with the least delay, each worker's family with a separate apartment or individual house, finances the construction, management, and prompt repair of its housing stock from its social development fund and bank credits, organizes cooperative construction, renders all possible assistance to workers in individual housing construction, and provides loans for these purposes;

develops the network of kindergartens, creches, Young Pioneer camps, and other children's institutions;

carries out the construction, repair, and management of sanatoriums and preventive treatment facilities, boarding houses, culture centers, tourism and sports facilities, and other leisure projects;

develops in every way physical culture and sports and amateur artistic activities among workers and members of their families;

assists in the development of collective horticulture and truck gardening;

effects the distribution of housing, travel vouchers to rest homes and sanatoriums, orchard and gardon plots, and other social benefits and concessions.

With the consent of the labor collective, the enterprise administration and trade union committee are authorized to allocate housing out of turn to individual highly skilled specialists and other personnel in light of their labor input. [paragraph continues]

The enterprise can provide material incentives for workers in medical, children's, cultural enlightenment, and sports institutions and organizations supplying services to the labor collective but not part of it.

5. The enterprise's labor collective helps to strengthen the family and creates favorable conditions for women, enabling them to successfully combine motherhood with participation in labor and social activity. Questions involving women's labor and life must be resolved with the active participation of the women's council.

6. Labor collectives show constant concern for labor veterans, war veterans, pensioners, invalids, and children, surround them with attention, give them all necessary help, create conditions for involving pensioners and invalids capable of working positions, involve them in the collective's social life, and make the enterprise's facilities for medical and other services, rest, and leisure available to them. The enterprise participates in the construction of homes for the aged and invalids, sponsors these homes, and also children's homes, boarding schools, and infant homes, and offers material and financial assistance to them.

7. The enterprise actively promotes the efficient work of schools and educational and medical establishments and can finance appropriate measures from its own funds.

The enterprise attached to a general educational school or a vocational and technical school as a base enterprise organizes the labor training of their pupils and creates the conditions necessary for this purpose.

/Article 14. Labor and Wages/

1. USSR citizens exercise at the enterprise their constitutional right to work and have their labor remunerated according to its results, quantity, and quality.

It is each worker's duty to work honestly and conscientiously, to increase labor productivity, to improve output quality, to safeguard and augment the people's wealth, and to observe labor discipline.

It is incumbent upon the enterprise to make efficient use of workers' labor and, on this basis, to seek to enhance the collective's prosperity and successfully resolve the tasks of its production and social development. In parallel with material incentives, it must make broad use of various forms of moral incentives to workers for high labor achievements.

Each worker's wage is determined by the end results of work and by his personal labor input and no restriction is imposed upon it as to its maximum size.

2. With a view to the fullest possible utilization of labor potential and the creation of conditions for highly productive activity by each workers, the enterprise:

sets scientifically substantiated labor norms and, as the labor and production organization improve and technical measures are carried out, reviews these norms;

seeks to carry out a growing amount of work with relatively fewer personnel;

conducts job certification and rationalization, determines the number of jobs necessary, and abolishes any superfluous jobs;

establishes forms for the organization of workers' labor, establishes wage scales, grades workers and categorizes specialists, and organizes the introduction of advanced methods and forms of labor;

establishes working hours and leisure time in coordination with the local soviet of people's deputies, introduces flexible work schedules, allows part-time work, organizes work at home, and defines according to law the duration of additional leave.

The enterprise ensures, on the basis of openness, the objective assessment of workers' personal labor input to the results of economic activity, encourages conscientious labor, creates an atmosphere of implacability toward violators of discipline and slipshod workers, and applies strict measures of material, disciplinary, and social influence against them.

3. To enhance labor efficiency, intensify collective interest in and responsibility for the results of work, and cultivate among workers a thrifty attitude toward the utilization of the enterprise's means of production, the enterprise:

uses team economic accountability and team contracts as the basic collective forms of labor organization and incentives. As and when necessary, engineering and technical workers and other specialists are included in teams;

transfers sections, shops, and other subdivisions to the contractual system. The work of such subdivisions is organized under a contract between the collective and the administration assigning the necessary property to the appropriate subdivision and providing for labor remuneration according to long-term normatives; applies family contracts whenever necessary.

4. The enterprise forms, in accordance with prescribed normatives, a wages fund (labor remuneration fund) linked to the end results of work. It is incumbent upon the enterprise to ensure, in accordance with the approved normatives, that the growth of labor productivity is faster than the growth of the average wage.

Within the limits of the wages fund determined according to the normative, the enterprise independently establishes the wages fund for individual categories of workers -- designers, technologists, scientific workers, and personnel of the technical control services -- in light of the specific nature of production and the tasks facing it. The enterprise must ensure a relative reduction in the number of management personnel and in the proportion of funds used to pay them.

The enterprise determines the total number of workers and their vocational and skill qualifications and approves the table of organization.

5. It is incumbent upon the enterprise to use labor remuneration as the most important means for stimulating the growth of labor productivity, the acceleration of scientific and technical progress, the improvement of output quality, the enhancement of production efficiency, and the strengthening of discipline. [paragraph continues]

It ensures the introduction of new wage rates and salary scales financed from funds earned by the labor collective.

The enterprise has the right:

to determine the forms and system for the remuneration of workers' labor without allowing wage leveling;

to define the jobs which are paid at higher rates, and to offer additional benefits to workers and employees taking into account the specific working conditions;

to introduce additional payments for holding down more than one trade (office), expanding the number or machines operated, or increasing the volume of work done, including with respect to offices and trades relating to different categories of personnel, without restrictions on the size of these additional payments, these payments being funded by, and within the limits of, the saving in the wages fund resulting from the wages (salaries) of released workers;

to determine the salaries of subdivision leaders, specialists, and employees without reference to average salaries according to the table of organization and without taking into account their proportional numerical strength;

to define specific avenues for the use of the material incentives fund;

to elaborate and approve procedures for bonus payments to workers, leadership workers, designers, technologists, and employees of structural units and subdivisions;

to ensure preferential treatment in labor incentives for designers, technologists, and other personnel directly involved in the elaboration of the latest equipment and technology, inventions, and rationalization proposals and their introduction into production.

6. The improvement of the organization and remuneration of labor, measures for the labor collective's social development, the distribution of social benefits, and monitoring of the correctness with which the established systems for the labor remuneration and payment of working people are applied are effected at the enterprise together or by agreement with the trade union committee.

/Article 15. Material and Technical Provision/

1. The enterprise's material and technical provision is based on the need for its efficient and steady work and the thrifty utilization of material resources while maintaining stocks at the minimum necessary level.

In accordance with its plans for economic and social development, the enterprise determines its need for resources and acquires them under wholesale trade procedures or under centralized procedures.

Under wholesale trade procedures, the enterprise acquires material resources without quotas (funds) in accordance with its orders and on the basis of contract concluded with enterprises and other material and technical supply organs or with the manufacturers of the output.

Under centralized procedures individual material resources are allocated to the enterprise according to quotas (funds). The enterprise independently determines under contracts with the suppliers the range and delivery dates of these resources.

Under direct links, the enterprise's material and technical provision is implemented by it independently with respect to output sold under direct non-quota orders, and also with respect to centrally allocated output.

Wholesale trade must expand and become the main form of material and technical provision for enterprises.

2. The enterprise bears economic responsibility for fulfilling its commitments under delivery contracts. Material and technical supply organs must be timely in satisfying enterprises' justified needs for material resources. Territorial material and technical supply organs have the main role in organizing the reliable provision of material resources to enterprises and effective monitoring of deliveries. They bear economic responsibility for the delivery of output in cases where they are the suppliers. Material and technical supply for construction conducted by the own-resources method is carried out, irrespective of the sources of finance, by territorial material and technical supply organs on the basis of enterprises' requests.

The enterprise is empowered to conclude contracts with material and technical supply organs for the organizations of comprehensive supplies, the preliminary preparation for production consumption of supplies materials, the supply of technical means on hire, information backup services, and the performance of other services.

3. The consumer enterprise has the preferential right to maintain existing ties and expand direct long-term economic ties with manufacturers and to select the form of supply: either directly from the manufacturer or through a supply and marketing enterprise.

Material and technical supply organs are prohibited from arbitrarily revising any established direct long-term ties between enterprises.

4. When an enterprise is supplied with output whose quality fails to meet current state standards, technical specifications, or concluded contracts, or when an enterprise is suppied with substandard design and technical documentation, it has the right to unilaterally cancel the contract with the supplier or developer and to demand reimbursement of any losses incurred as a result of the cancellation of the contract.

At the enterprise's request, the material and technical supply organ or the superior may assign it another supplier.

5. The supplier enterprise bears responsibility for delivering the shipment and for any enforced idleness or incomplete loading of means of transportation, whiie the transport enterprise is responsible for any failure to meet the plan's or contract's provisions regarding availability of means of transportation for the delivery or unloading of output, for the prompt delivery of shipments, and for their safekeeping according to procedures laid down by legislation. Water, power, heat, and gas supply enterprises and other energy supply organizations bear economic responsibility to consumer enterprises for complying with the established quotas and timetables for supply.

/Article 16. Sale of Output, Work, or Services/

The enterprise sells its output, carries out work, or renders services according to economic contracts with consumers and trade or material and technical supply enterprises or through its own network for the sale of output, performance of work, or rendering of services. It must fully meet commitments stemming from contracts regarding the quantity, range (variety), time schedules, quality of output (work, services), and other conditions. The fulfillment of orders and contracts is the main criterion for assessing enterprises' activity and providing material incentives to labor collectives. It is incumbent upon the enterprise to study demand and implement advertising measures. The final stage of an enterprise's production marketing activity and an absolute condition for the implementation of full economic accountability and self-financing is the payment by consumers for output (work, services) supplied in accordance with the contract's conditions.

2. The enterprise is entitled to use for its own needs, to sell to other enterprises, organizations, or the population, or to exchange with other enterprises any output provided that contractual commitments have been fulfilled and any output rejected by consumers or material and technical supply organs which have entered into contracts for its supply (apart from certain types of output laid down by legislation).

3. In the event of nonfulfillment of contractual obligations, the enterprise bears economic responsiblity and provides compensation in line with the established procedures for losses suffered by the consumer. Any payment of fines or forfeit for breach of contractual conditions, or reimbursement of losses suffered does not release the enterprise from fulfilling its obligations for supplying output, carrying out work, or rendering services.

4. It is incumbent upon the purchasing enterprise to make prompt payment for any output (work, services), supplied to it under a contract from its own funds or, in individual cases, from bank credit funds. It is responsible for making payment within the set time, and is liable to fines in the event of delayed payment.

In the event an enterprise lacks its own funds to make payment for output (work, services) and does not have the right to receive credit facilities, the superior organ allocates resources to it from the relevant centralized funds and reserves subject to repayment.

/Article 17. Finances and Prices/

1. The enterprise's financial activity must be aimed at creating financial resources for its production and social development and at ensuring growth of profits (revenue) through increasing labor productivity, reducing prime costs, improving the quality of output (work, services), and making better use of production capital.

2. The enterprise conducts its financial activity in line with 5-year and annual financial plans. It bears responsiblility for promptly meeting its obligations to the budget, banks and superior organs, suppliers, contractors, and other organizations. It is incumbent upon the enterprise to aim for high efficiency in utilizing the financial resources remaining at its disposal.

3. The enterprise must take part in forming the revenue of the USSR State Budget, whose resources are used to carry out major economic and social measures, strengthen the country's defense capability, and meet other state needs.

The enterprise's financial relations with the state budget are built on the basis of long-term economic normatives. The enterprise contributes to the budget payments in respect of the resources placed at its disposal, part of its profits (revenue), and other payments and deductions as provided by law, including payments to the local budget, according to established normatives.

The normatives for distributon of profits (revenue) between the enterprise and the budget must ensure equally intense state demands regarding the utilization by enterprises of production capital and labor and natural resources.

Payment for production capital is made, as a rule, on the basis of a norm that is the same for all enterprises. Payment for labor resources reimburses the state's expenditure on training manpower and providing sociocultural, municipal, and consumer services for workers and members of their families. The payment for natural resources (land, water, minerals) is the means of appropriating the differential rent arising because of differences in the natural productiveness of these resources.

In addition to payments to the budget for resources, the taxation of enterprises' profit (revenue) remaining after payment for resources and the payment of interest on credit is also employed.

Any appropriation and redistribution of the enterprise's profits (revenue) and other financial resources over and above the prescribed normatives, norms, and rates or in cases not provided for by law is prohibited.

4. It is incumbent upon the enterprise to operate wihout loss. In the event of temporary planned loss-making operations, the enterprise is financed by its superior organ from centralized funds and reserves up to the limit of subsidies laid down in the 5-year plan on a progressively reducing basis. It is incumbent upon the enterprise to elaborate measures to consolidate its financial position, to eliminate any loss-making production of output (work, services) within the set time, and to ensure profitable operations.

5. Any reimbursement by the enterprise in respect of losses caused to other organizations and the state and payments in respect of fines, forfeits, and other sanctions laid down by the law are chargeable to the collective's economically acountable revenue. Any amounts received by the enterprise in respect of loss reimbursements or sanctions are channeled toward increasing the collective's economically accountable revenue.

6. The enterprise exercises its rights and obligations in pricing in line with the basic principles of state management and regulation of prices. Prices must reflect the socially necessary expenditure on producing and selling output, its consumer properties, quality, and effective demand. [paragraph continues]

They are used as an active means for influencing the growth of production efficiency and for improving the quality and reducing the prime cost of output (work, services). It is incumbent upon the enterprise to ensure the economic substantiation of actual, proposed, or estimated prices, the preferential growth of naional economic benefit over expenditure, and the relative reduction of output costs to the consumer or independently.

The enterprise sells its output (work, services) at prices (rates) set on a centralized basis or determined by agreement with the consumer or independently.

The enterprise bears responsibility for strict observance of price discipline and must not allow prices to be inflated. Any unjustified profits earned by the enterprise as a result of breaches of state price discipline or nonobservance of standards or technical conditions are liable to appropriation by the budget (at the expense of the collective's economically accountable revenue) and are excluded from plan fulfillment reporting data.

Any enterprise allowing inflated prices and the earning of unjustified profits pays into the budget an additional fine equal to the illegally earned profit and chargeable to the collective's economically acountable revenue. In the event a producer inflates the price of output (work, services), a consumer is entitled to cancel any contrct concluded for its delivery.

9. Enterprises must be guided by the centrally established prices (rates) for output (work, services), and also the prices (rates) ratified by ministries and departments.

By agreement with the customer, the enterprise is entitled to determine a premium (discount) on the centrally established wholesale prices in return for meeting additional demands regarding changes in the consumer properties and level of finish [komplektatsiya] of output.

10. With a view to expanding independence in economic activity, more fully taking consumers' individual needs into account, and stimulating the manufacture of high-quality output, the enterprise has the right to apply prices determined by agreement with consumers (contractual prices) to output for production and technical purposes manufactured to one-shot or individual order, new or newly assimilated output and new nonfood consumer goods, and also certain types of food goods sold by agreement with trading organizations, for a period of up to 2 years on the basis of an established list, the end products of scientific research and planning and design organizations, agricultural output purchased by sovkhozed and other state agricultural enterprises from the population, output (work, services) as provided by law.

State pricing organs lay down the procedure for determining contractual prices and monitor their application.

11. The enterprise independently sets prices (rates) for production and technical output, consumer goods, and services to which centrally set price do not apply, and also for output (services) for its own consumption or sold in its own trade network.

Sovkhozes and other state agricultural enterprises have the right to independently set prices for part of the planned and all the above-plan agricultural produce sold through their own trade network or at the kolkhoz market

As full economic accountability, self-financing, wholesale trade, and direct economic links develop, the use of contractual and independently set prices will expand.

/Article 18. Credit and Accounts/

1. Under conditions of full economic accountability and self-financing, the enterprise uses bank credits for production and social purposes and subject to strict observance of credit facility principles: security, targeted purpose, time limit, repayment, and charges for the credit facility.

The bank issues short-term credits to the enterprise for the purpose of current operations on major credit-financed projects [po ukrupnennym obyektam kreditovaniya]. Long-term credits are provided for purposes of production and social development, such loans being repaid with resources from the production, science, and technology development fund or the social development fund (or other funds for similar purposes).

The enterprise resolves all matters connected with credit facilities in credit institutions at the place where the current account or capital investment finance account is opened.

The enterprise bears responsibility for the efficient utilization of credit facilities. Sanctions are applied against enterprises in breach of any credit conditions. In the event an enterprise is systematically in breach of loan repayment schedules, it loses its right to obtain further credits; in individual cases, such credits may be obtained subject to guarantees by a superior organ.

2. It is incumbent upon the enterprise to meet its liabilities in a timely fashion. The enterprise is liable to fines and forfeits for delayed payments. The enterprise makes all payments, including budget contributions and wages payments, in order of date of requests for payment (due date of installments).

Banks pay interest to the enterprise for the use of temporarily uncommitted amounts in its production, science, and technology development fund and its social development fund.

3. An enterprise systematically in breach of payments discipline, may be declared insolvent by banks, with its main suppliers of commodity and material assets and its superior organ being notified accordingly. The priority of payments to cover such an enterprise's liabilities is determined by the bank. Creditor enterprises can cease delivering output to, performing work for, and providing services to an enterprise that has been declared insolvent. It is incumbent upon the enterprise and its superior organ to take measures to eliminate mismanagement and strengthen payments discipline.

Fines, forfeits, and other sanctions collected without recourse to the courts are debited by the bank from the enterprise's current account. The enterprise is reimbursed in respect of any illegally debited sums by the guilty party subject to a surcharge. Disputes regarding such reimbursements are referred to arbitration organs or the courts.

/Article 19. Foreign Economic Activity./

1. The foreign economic activity of an enterprise is an important component of its entire work. It is carried out, as a rule, on the basis of foreign currency self-capitalization and self-financing and its results are an organic part of the results of the enterprise's economic activity and directly affect the formation of economic incentive and foreign currency payment funds.

The enterprise ensures export deliveries of output as a matter of priority.

2. Cooperation with enterprises in socialist countries, the expansion and deepening of socialist economic integration, and the development of effective production sharing are of priority importance in enterprises' foreign economic activity.

In relations with CEMA country enterprises and organizations enterprises:

establish direct links, solve questions of production, scientific, and technical production sharing, including definition of the economic terms of cooperation, including contractual prices, and conclude economic agreements and contracts;

coordinate the range and volumes of exports and imports of output in terms of production sharing and the provision of services, and transfer material resources and the relevant technical documentation;

carry out scientific research, design, and experimental work, create joint collectives of scientists and specialists for these purposes, exchange scientific and technical documentation on mutually agreed terms, and provide assistance in cadre training;

and participate in the activity of joint enterprises, international associations, and organizations set up on the basis of the USSR's international agreements.

3. Enterprises implement their economic ties with firms in the capitalist and developing countries on the basis of the principles of mutual advantage and equal rights. The main methods of developing these ties are production, scientific, and technical production sharing on a long-term and balanced basis and the creation of joint enterprises and production facilities. The procedure for creating joint enterprises and production facilities on Soviet territory and for their activity is determined in accordance with Soviet legislation.

4. Enterprises affecting considerable export shipments of output (work or services) may be granted the right to carry out import-export operations directly (including with markets in the capitalist and developing countries) and to create economically accountable foreign trade firms to this end.

Enterprises with no right to independent access to foreign markets participate in determining the best conditions for exporting their output (work, services) via foreign trade associations belonging to their own or other ministries and departments.

5. With a view to strengthening economic accountability, improving economic interest and responsibility, and expanding independence in carrying out export-import operations, enterprises:

cooperate with their foreign partners on the basis of economic contracts;

create foreign currency payment funds drawn up on the basis of stable long-term normatives from funds obtained from export sales of finished products (work, services) and from the entire foreign-currency proceeds derived from shipments of products under production sharing arrangements and sales of licenses;

may obtain bank credit in foreign currency for setting up and developing export production facilities provided that the credit is paid off using export-derived foreign currency proceeds;

bear economic responsibility for the effectiveness of their foreign economic ties and the rational use of foreign currency funds in the interests of developing production and improving its technical standard;

use their existing foreign currency funds to make up for losses incurred through the nonfulfillment of export targets or contractual commitments;

pay foreign customers all fines and other sanctions in foreign currency drawn on their foreign currency payment funds if the enterprises themselves were to blame for the violations of commitments.

6. To retool and reconstruct production and carry out scientific research, experimental design, and other work, enterprises import output on the basis and within the limits of foreign currency payment funds or loans. They are also entitled to acquire in CEMA countries for the needs of their labor collectives medical equipment and cultural, domestic, sports, and other goods not included in state distribution plans.

Funds in enterprises' foreign currency payment funds are not liable to appropriation and may be accumulated for use in subsequent years.

7. To carry out scientific and technical work and to develop efficient production units linked with production sharing, enterprises may acquire transfer rubles and national currency of the socialist community countries on credit from the USSR Foreign Trade Bank.

/Article 20. Use of Nature and Environmental Protection/

1. In the interests of present and future generations of Soviet people enterprises are obliged to ensure the effective use and reproduction of natural resources, make careful use of them in accordance with the purposes for which they have been granted them, protect the environment from pollution and other harmful effects, and organize production on the basis of waste-free techniques as the main avenue for ensuring the safekeeping of the environment.

Enterprises comprehensively utilize useful minerals and other natural resources; they must make rational use of agricultural land and carry out recultivation of land and other environmental protection measures.

The nature conservation measures taken by enterprises should wholly make up for the negative effect of production on the environment.

In plans to expand, reconstruct, and retool production, enterprises envisage nature conservation installations and units, build them, and organize their effective and uninterrupted operation.

2. In return for the use of natural resources as part of our national assets enterprises make prescribed payments and carry out nature conservation measures financed out of their own funds and credits. In certain cases such measures may be financed from centralized sources.

3. In their environmental protection work and in using natural resources enterprises are under the supervision of their local soviet and other organs implementing state supervision in the sphere of nature conservation and the use of natural resources.

Enterprises provide compensation for damage caused by pollution to the environment and the irrational use of natural resources and bear material responsibility for the nonobservance of nature conservation legislation. The activity of enterprises which blatantly violate established procedures for the use of the environment may be suspended until the violations that were permitted are eradicated.

/Article 21. Enterprises' Joint Production and Social Activity/

1. To make more effective use of their production potential, expand production of goods and services, jointly resolve scientific and technical problems, and develop their infrastructure, enterprises on their own initiative or on the basis of a proposal from local soviets or other organizations develop production sharing primarily with enterprises located on a given territory. They may pool efforts to resolve intersectorial, sectorial, and regional tasks. To that end enterprises are entitled:

to jointly carry out work linked with the reconstruction and retooling of production, the acceleration of scientific and technical progress, the improvement of output quality, the development of consumer goods production, and the provision of services to the population;

to create intersectorial production facilities, shared computer centers, and scientific, planning, design, repair, construction, trade, and other joint enterprises and associations following established procedures;

to build and operate production infrastructure projects, subsidiary farms, nature conservation installations, housing, and other production, sociocultural, and municipal and consumer service facilities;

in accordance with established procedure to unite with other enterprises, up to and including total merger, if this is dictated by the interests of production sharing and technological links and the efficient manufacture of the end product;

and to organize the training of specialists and set up production training enterprises (together with educational establishments).

To implement the aforesaid and other joint activity, enterprises conclude contracts which envisage the pooling on a proportional basis of financial, labor, and material resources and the resolution of questions linked with the organization and activity of joint enterprises and associations.

Superior organs and local soviet ispolkoms take measures to develop enterprises' joint activity and promote the fullest possible realization of the rights granted to them in this sphere.

2. Enterprises may participate in the activity of intersectorial and interfarm territorial-production associations created by the Councils of Ministers of union republics (not subdivided into oblasts) and autonomous republics and by local ispolkoms.

3. Cooperatives may be created under the enterprise in accordance with established procedure. The enterprise provides assistance to such cooperatives and also to citizens carrying out individual labor activity under contracts with the enterprise.

/Article 22. Accounting, Statistical Reporting, and Monitoring/

1. To actively influence their entire economic activity and analyze ways, forms, and means of developing production, and with a view to ensuring effective management and warning about the possible emergence of certain disproportions in plan target fulfillment, enterprises draw up accounts based on the results of work, monitor the progress of production, and draw up operating accounts and statistical reports.

Enterprises must:

use advanced ways and means of accounting and information processing on the basis of the widespread use of modern computer equipment;

compile statistical reports, present them to the relevant organs on schedule, and ensure the accuracy of accounts and balance sheets;

strictly monitor the rational and economical use of material, labor, and financial resources, resolutely combat mismanagement and waste, take measures to prevent such phenomena, and report embezzlement and blatant violations of legislation to prosecutor's office or internal affairs organs;

and enhance the role and responsibility of the legal, accountancy, and other functional services for the observance of legality, contractual and financial discipline, and output quality.

Leaders of enterprises, structural units, and subdivisions and other guilty parties bear personal responsibility for cases of overreporting, window dressing, and other distortions of state reporting and are liable to disciplinary, material, or criminal action. All cases of overreporting and window dressing are discussed in the labor collective.

The forms of enterprises' statistical reporting, the recipients of the reports, and the dates for their presentation are determined by established procedures. It is forbidden to demand or submit any other statistical reports.

2. Together with superior organs' audits and checks of enterprises' activity, such audits and checks may also be carried out by financial, banking, and other management organs in accordance with their legally empowered function of monitoring enterprises' activities. Audits or checks may be carried out at the demand of law enforcement organs and people's control committees.

All types of audits and checks must promote the improvement of efficient management and should not violate enterprises' normal working rhythm. The results of audits and checks are reported to the labor collective.

3. Enterprises have an elected people's control committee (group or post); the enterprise management must give it every possible assistance in its work, examine its proposals and recommendations,and take the necessary measures to eradicate any shortcomings that are revealed.

/Article 23. Creation and Termination of Enterprises' Activity/

1. The creation of enterprises takes place following the procedure laid down by the USSR Council of Ministers.

The reorganization (merging, association [prisoyedineniye], division, separation, or transformation) of enterprises and the termination of their activity take place under established procedures by decision of the organ empowered to set up the relevant enterprises.

Enterprises' activities may be terminated:

if the need for their continuing operation has vanished and they cannot be reorganized or on other grounds stipulated by the law;

if the enterprise has a long record of losses and inability to make payments, experiences a lack of demand for its output, and if measures taken to ensure profitable working have failed to yield results.

2. When enterprises are reorganized or closed, the superior organ guarantees the separated [uvolnyayemyy] workers the rights established by the USSR Constitution and the law. Workers receive personal notification of date of separation no later than 2 months before the reorganization or closing of the enterprise. They retain their average wages and continuous service status during the period they are seeking new employment, but for no more than 3 months.

The organ that decides to reorganize or wind up an enterprise and the local soviet provide every possible assistance in finding work for the released workers. Claims and lawsuits brought by citizens against liquidated enterprises may be filed with the superior organ.

Workers who cannot find work in their own trade, profession, or speciality are taken on at a new work place on the condition that they undergo retraining within a period laid down when the work contract is concluded.

3. Enterprises have articles of incorporation ratified by the superior organ. From the day of ratification of the articles of incorporation enterprises become corporate bodies and enjoy the rights and fulfill the duties linked with their activity.

Enterprises have their own seal bearing their name and depicting the state crest of the USSR or a union republic (depending on whose jurisdiction the enterprise comes under).

/Article 24. On Guarantees of the Observance of the Rights of Enterprises (Associations)/

Organs of state power and management are responsible for observing the provisions of the USSR Law on State Enterprise (Association) when adopting normative documents concerning the practical implementation of the present law and organize their relations with enterprises and associations in strict accordance with the aforementioned law.

/Article 25. Features of the Application of this law/

The features of the application of the present law in particular sectors of the national economy and with regard to particular types of enterprise are determined by the USSR Council of Ministers.

Chairman of the USSR Supreme Soviet Presidium A. Gromyko.

Secretary of the USSR Supreme Soviet Presidium T. Menteshashvili.

Moscow, the Kremlin, 30 June 1987.

LEADERS ATTEND RSFSR SUPREME SOVIET SESSION

LD060831 Moscow Domestic Service in Russian 0730 GMT 6 Jul 87

[Text] In Moscow today the fifth session of the RSFSR Supreme Soviet of the 11th convocation began work in the Great Kremlin Palace. Comrades and guests greeted with applause Comrades Gorbachev, Vorotnikov, Gromyko, Zaykov, Nikonov, Ryzhkov, Solomentsev, Chebrikov, Shevardnadze, Yakovlev, Demichev, Dolgykh, Talyzin, Yazov, Biryukova, Lukyanov, and Medvedev. The session was opened by Comrade Gorbachev, chairman of the RSFSR Supreme Soviet [name and title as heard]. Those assembled stood to mark respect for the memory of a deputy who died in the period between the session.

A decision was adopted on the mandate commission's report acknowledging the authority of the newly elected deputies. The agenda for the session was approved. It includes questions on changes to the composition of the RSFSR Supreme Soviet Presidium, on the tasks of the RSFSR soviet and economic bodies in improving trade and public catering, the work of the soviets of people's deputies in the RSFSR requests from the electorate, on approving the decrees of the RSFSR Supreme Soviet Presidium, and on electing a chairman to the RSFSR Supreme Court.

The session elected deputy Mitsayev as deputy chairman of the RSFSR Supreme Soviet Presidium, and Deputy Chistoplyasov as secretary of the RSFSR Supreme Soviet Presidium.

Deputy Kazakov, deputy chairman of the RSFSR Council of Ministers, was given the floor to report on the tasks of soviet and economic bodies in the RSFSR in improving trade and public catering in light of the requirements of the 27th CPSU Congress and the instructions of the CPSU Central Committee January 1987 Plenum.

SILAYEV DISCUSSES MACHINE BUILDING TASKS

PM021421 Moscow SOVETSKAYA ROSSIYA in Russian 25 Jun 87 Second Edition p 4

[Interview with I.S. Silayev, deputy chairman of the USSR Council of Ministers, by own correspondent V. Shilov under the rubric "Examined at the USSR Council of Ministers": "Toward New-Generation Machines" -- date and place unspecified]

[Text] The other day the USSR Supreme Soviet Presidium examined the results of checks carried out by the USSR People's Control Committee in machine-building complex sectors on the creation and assimilation into production of the most important types of new-generation technology. At the same time the question "On Serious Shortcomings in the Work of the Machine Tool Building Industry in Radically Improving the Technical Standard, Quality, and Reliability of Its Output" (the article "Riding for A Fall?" published in SOVETSKAYA ROSSIYA 5 June this year) was discussed. At the request of our correspondent V. Shilov, Ivan Stepanovich Silayev, deputy chairman of the USSR Council of Ministers, gave his comments on the results of the examination.

[Silayev] Let me remind you the machine-building complex is being developed on a priority basis. This was reflected in the documents of the 27th CPSU Congress and in a number of CPSU Central Committee and USSR Council of Ministers resolutions. The course of accelerating scientific and technical progress in every possible way requires that all sectors extensively switch to the production of new-generation equipment which will make it possible to improve labor productivity many times over, to improve working conditions, and to substantially reduce material expenditure. The specific tasks boil down to the fact that we are obliged by the end of the current 5-year plan to create and initiate series production of 320 types of new-generation equipment and bring production of world-class equipment up to 90 percent of total machine building output.

[Shilov] What does "world-class meachines" mean?

[Silayev] Machines such as the Gorkiy GAZ-SAZ-4509 agricultural dump truck with an air-cooled diesel engine adapted for use as a tractor-trailer, for instance. In terms of a number of technical and economic parameters, it surpasses the best world examples. The same can be said of the LR400PMF4M flexible production module produced by the Ya.M. Sverdlov Machine Tool Building Association in Leningrad, the EO-5124 excavator produced by the "Tyazheks" Association in Voronezh, and the VAZ-2109 automobile. The list of similar examples could be continued. However, it would be unpardonable for us and dangerous for our work to exaggerate what has been achieved.

As the in-depth, comprehensive checks carried out by the USSR People's Control Committee at all 11 machine-building complex ministries showed, serious shortcomings exist in the work to create and produce the most important types of new-generation equipment. Over the last 2 years hardly more than half of the 62 targets for the manufacture of prototype machines have been fulfilled. Series production of the latest technology is proceeding in an even worse fashion. Even now there have not yet been any notable, positive changes. More than 40 percent of the targets for the manufacture of prototypes and the assimilation of series production of progressive machines and equipment have been in jeopardy of being disrupted.

Many of the models of new-generation equipment being created do not promote the resolution of the main task -- placing domestic machine building in the front ranks of world production. [paragraph continues]

Almost one in every three new articles that were checked not only do not correspond to the best world standards but are inferior to them in a number of the most important technical and economic indicators. In this respect, things are least favorable at the Ministry of the Electrical Equipment Industry, the Ministry of Machine Building for Animal Husbandry and Feed Production, and the Ministry of Heavy and Transport Machine Building.

The USSR Council of Ministers Presidium, having examined the People's Control Committee materials, noted that they provide an objective assessment of the unsatisfactory work of the machine-building complex in accelerating scientific and technical progress in the national economy. Ministry leaders came in for some sharp criticism. I must admit that the criticism of the Machine Building Bureau, which I head, was justified.

[Shilov] Ivan Stepanovich, during the discussion it was repeatedly stressed that one of the main brakes on scientific and technical progress in machine building is the slow retooling of the complex' enterprises. The replacement of equipment with more modern and highly productive equipment is literally being conducted at a snail's pace. The responsibility for this lies primarily with the Ministry of the Machine Tool and Tool Building Industry. Thus, machine tool builders have largely been failing to meet the need for progressive and particularly high-precision equipment, while at the same time proposing obsolete machine tools far in excess of any demand for them....

[Silayev] The SOVETSKAYA ROSSIYA article made a meaningful analysis of the activity of the Ministry of the Machine Tool and Tool Building Industry in creating and producing state-of-the-art progressive equipment. The attempts by Minister N.A. Panichev to somewhat dull the impact of the situation in the sector were sharply criticized. The newspaper article was recognized as being correct. The work of the Ministry of the Machine Tool and Tool Building Industry in retooling machine building complex sectors was deemed to be unsatisfactory. The headquarters of the sector was unable to restructure its work to give priority attention to the assimilation of advanced progressive equipment. Centralized operational controls of current plans continue to prevail in everyday practice at the Ministry of the Machine Tool and Tool Building Industry. The development of a number of machine-tool building areas that are fundamentally important from the standpoint of scientific and technical progress has been neglected. These are areas such as heavy and unique precision equipment, and control and measuring equipment and instruments.

[Shilov] In your speech at the presidium session, Ivan Stepanovich, you stated that the entire technical policy of the Ministry of the Machine Tool and Tool Building Industry needs to be seriously restructured. What do you have in mind?

[Silayev] First and foremost, it is necessary to seriously review the scientific and technical program for machine building over the next 2-3 years and to step up the proportion of equipment in particularly short supply -- particularly finished equipment -- in the program. At the same time, the production of traditional equipment and, under different circumstances, new equipment must be brought into line with demand. For instance, it has now become clear that we are producing considerably more robot "loaders" than the national economy can accept. It is necessary to gear ourselves not to the production of individual robots but to organize them into robotic complexes and supply the national economy with sets of equipment that can be of tangible use immediately.

Now that machine-tool building along with other industrial sectors is on the threshold of complete economic accountability, the leaders of the sector must assimilate entirely different concepts of economic management. Economic accountability and self-financing are sharply altering the consumer-producer relationship. The end of the diktat of producers -- which was one of the cornerstones of the expenditure-based mechanism -- is in sight. It will be impossible to address consumers from a "take what you are given" standpoint -- consumers will buy only what they need and can use. This change in the situation has already been sensed by agricultural machine builders. At the very first wholesale fair, a considerable proportion of agricultural machines and equipment went unsold. Under conditions of complete economic accountability unsold output will considerably damage enterprises' economic position, result in falling earnings, and retard collectives' social development. It was pointed out at the presidium session that machine-tool building leaders and leaders of other machine building sectors are still by no means fully prepared for the future accountability changes to the economy.

In conclusion, I would like to stress that the People's Control Committee materials in the SOVETSKAYA ROSSIYA article provided an incentive for a profound and comprehensive critical analysis of the state of affairs in the machine-building complex. The sharp and principled conversation at the USSR Council of Ministers Presidium will be a serious and object lesson with constructive conclusions for the leaders of ministries and the Machine Building Bureau.

## UZBEKISTAN URGED TO IMPROVE PRODUCTION

NC060733 Tashkent Domestic Service in Turkish 1600 GMT 30 Jun 87

[Text] The attenders of the meeting held by the Uzbek SR Supreme Soviet Permanent Commission for the Industrial Complex yesterday discussed the work of the main administration in the production of machinery used in the cotton and [word indistinct] industry and the effort made by the main trust for (?the production of consumer goods) to upgrade production, improve quality, and increase variety. The speakers who addressed the meeting made note of the inconsistent work carried out by the republic's agricultural factories and said that the plans for the production of consumer and industrial goods have not been fulfilled.

It was recommended that the Ministry of Trade and the Union of Consumers' Societies establish consumer demands in as short a time as possible and give practical support to the factories in the production of goods which [words indistinct]. Although the main factories affiliated to the main trust for (?the production of consumer goods) are located in Tashkent Oblast, the main soviets in the capital and its oblast have not satisfactorily used the existing resources to improve their production.

Those attending the meeting adopted a number of proposals for improving the quality of the manufactured products and for realizing the measures required to set up a highly productive complex (?technical production) system for new varieties. The local soviets were recommended to fully use the existing resources to give guidance to the factories and production unions in their territories and to coordinate and control their work in the production of consumer goods and industrial products.

## COSMOS-1863 LAUNCHED 4 JULY, FUNCTIONING NORMALLY

LD060725 Moscow TASS in English 0722 GMT 6 Jul 87

[Text] Moscow July 6 TASS -- The Cosmos-1863 artificial earth satellite, the next in turn, was launched in the USSR on July 4, Saturday, to continue space exploration. It was put into orbit with the following parametres:

-- The initial period of revolution -- 90.8 minutes,

-- The maximum distance from the earth's surface -- 383 km,

-- The minimal distance from the earth's surface -- 208 km,

-- The inclination of the orbit -- 72.9 degrees.

Scientific equipment installed on board the satellite is functioning normally.

## COSMONAUTS MAKE FIRST USE OF ULTRAVIOLET TELESCOPE

LD011954 Moscow Domestic Service in Russian 1800 GMT 1 Jul 87

[Text] The flight of the "Mir" manned complex continues. Yuriy Romanenko and Aleksandr Laveykin have carried out the first astrophysical experiments using a new ultraviolet telescope. What is the essence of this problem? The fact is that stars are being born and are dying in various parts of the universe; these processes are accompanied by vast explosions and powerful eruptions of stellar material. Echoes of these phenomena reach the earth in the form of electromagnetic radiation in a broad range of wavelengths including ultraviolet ones, but it is precisely the short-wave ultraviolet signals which contain the necessary information that do not reach the earth since they are absorbed by the atmosphere. Therefore, taking the ultraviolet telescope "Glazar" beyond the atmosphere is of great scientific interest. The telescope was built by scientists of the Buryakan observatory and specialists from Switzerland also took part in its development.